
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular and as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Nexion Technologies Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page and the insider cover page of this circular shall have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the AGM of the Company to be held at 17/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Wednesday, 20 May 2020 at 10:30 a.m. is set out on pages 15 to 20 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting if they so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

This circular will remain on the “Latest Listed Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting. This circular will also be posted on the Company’s website at <http://nexion.com.hk>.

30 March 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular will prevail.

DEFINITIONS

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

| | |
|------------------------------|---|
| “AGM” | the annual general meeting of the Company to be held at 17/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Wednesday, 20 May 2020 at 10:30 a.m., the notice of which is set out on pages 15 to 20 of this circular |
| “Articles of Association” | the articles of association of the Company as amended, modified or otherwise supplemented from time to time |
| “Audit Committee” | the audit committee of the Company |
| “Board” | the Company’s board of Directors |
| “close associates” | has the same meaning ascribed thereto in the GEM Listing Rules |
| “Company” | Nexion Technologies Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on GEM (Stock Code: 8420) |
| “Controlling Shareholder(s)” | has the meaning ascribed thereto under the GEM Listing Rules, and in the context of this circular refers to Mr. Foo Moo Teng and Alpha Sense Investments Limited |
| “Core Connected Person” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “GEM” | GEM of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Issue Mandate” | the general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate |

DEFINITIONS

| | |
|------------------------------|--|
| “Latest Practicable Date” | 23 March 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular prior to its publication |
| “Listing Date” | 16 June 2017, on which dealings in the Shares first commenced on GEM |
| “Nomination Committee” | the nomination committee of the Company |
| “PRC” | the People’s Republic of China which for the purpose of this circular only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Remuneration Committee” | the remuneration committee of the Company |
| “Repurchase Mandate” | the general mandate proposed to be granted to the Directors at the AGM to repurchase shares not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the relevant resolution granting such mandate |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Share Option Scheme” | the share option scheme of the Company adopted on 31 May 2017 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the same meaning ascribed to it in the GEM Listing Rules |
| “substantial shareholder(s)” | has the same meaning ascribed to it in the GEM Listing Rules |
| “Takeovers Code” | The Codes on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong as amended, supplemented or otherwise modified from time to time |
| “%” | per cent |



NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

Executive Directors:

Mr. Foo Moo Teng (*Chairman*)
Mr. Edgardo Osillada Gonzales II
Mr. Shan Baofeng

Independent Non-executive Directors:

Mr. Chan Ming Kit
Ms. Lim Joo Seng
Mr. Park Jee Ho

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Principal place of business
in Hong Kong:*

Unit 1161, Tower 2
Admiralty Centre
18 Harcourt Road, Admiralty
Hong Kong

*Headquarter and principal place
of business in Singapore:*

Unit #10-03, Novelty BizCentre
18 Howard Road
Singapore 369585

30 March 2020

To the Shareholders

Dear Sirs or Madams,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Directors will propose at the AGM the resolutions for, among other matters, (i) the grant of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate; and (iii) the re-election of retiring Directors.

The purpose of this circular is to give you notice of the AGM and provide you with the information regarding the above resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

2. ISSUE MANDATE

Given that the general mandate granted to the Directors to issue Shares pursuant to the annual general meeting held on 20 May 2019 will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant the Issue Mandate to the Directors. Based on 720,000,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Directors will be authorised to allot, issue and deal with up to a total of 144,000,000 Shares, being 20% of the total number of the issued Shares as at the date of the resolution in relation thereto if the Issue Mandate is granted at the AGM. The Issue Mandate will end at the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

With reference to the Issue Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares pursuant thereto.

3. REPURCHASE MANDATE

Given that the general mandate granted to the Directors to repurchase Shares pursuant to the annual general meeting held on 20 May 2019 will lapse at the conclusion of the AGM, an ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and based on 720,000,000 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Company would be allowed to repurchase a maximum of 72,000,000 Shares, being 10% of the total number of the issued Shares as at the date of the resolution in relation thereto if the Repurchase Mandate is granted at the AGM. The Repurchase Mandate will end at the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

With reference to the Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares pursuant thereto.

An explanatory statement on the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement on the Repurchase Mandate contains all the requisite information required under the GEM Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

LETTER FROM THE BOARD

4. EXTENSION OF ISSUE MANDATE TO ISSUE SHARES

Subject to the passing of the ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the total number of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal amount of the issued share capital of the Company in issue on the date of passing the resolution for approving the Issue Mandate.

5. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 16.2 of the Articles of Association, Mr. Shan Baofeng, being a new executive Director appointed by the Board on 31 July 2019, shall retire from office and, being eligible, will offer himself for re-election at the AGM. In accordance with the Article 16.18 of Articles of Association, Mr. Chan Ming Kit (“**Mr. Chan**”) and Ms. Lim Joo Seng (“**Ms. Lim**”) will retire from office and, being eligible, offer themselves for re-election at the AGM.

The biographical details of each retiring Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the GEM Listing Rules.

The Nomination Committee has reviewed the re-election of such Directors based on a range of criteria in assessing their suitability, including but not limited to, reputation of integrity, qualifications, commitment in respect of available time and relevant interest, the board diversity policy adopted by the Company, and the standards as set forth in Rules 5.01 and 5.02 of the GEM Listing Rules and recommended to the Board that the re-election be proposed for the Shareholders’ approval at the AGM. The Nomination Committee has also assessed and reviewed the independent non-executive Directors’ annual written confirmation of independence based on the independence criteria as set out in Rule 5.09 of the GEM Listing Rules and confirmed that Mr. Chan and Ms. Lim remain independent. In considering the re-election of Mr. Chan and Ms. Lim as independent non-executive Directors, the Board, with the assistance and recommendation from the Nomination Committee, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, geographical background, length of service, and the professional experience, skills and expertise they can provide. The Board is of the view that during their tenure as the independent non-executive Directors, Mr. Chan and Ms. Lim have made positive contributions to the Company’s strategy, policies and performance with their independent advice, comments and judgment from the perspective of their professional experience and education background coupled with their general understanding of business of the Group, and hence contributed to the diversity of the Board. Having considered that Mr. Chan and Ms. Lim do not hold any listed company directorship, the Board believes that Mr. Chan and Ms. Lim will be able to devote sufficient time to the Board. To the best knowledge of the Directors, as at the date of this circular, the

LETTER FROM THE BOARD

Company is not aware of any matters or events that may occur and affect the independence of all independent non-executive Directors. Therefore, with the recommendation of the Nomination Committee, the Board has proposed that the above retiring Directors, stand for re-election as Directors at the AGM by way of ordinary resolutions.

6. AGM

The Company will convene the AGM on Wednesday, 20 May 2020 at 10:30 a.m. at 17/F World-Wide House, 19 Des Voeux Road Central, Hong Kong, at which the resolutions will be proposed for the purpose of considering and, if thought fit, approving, among others, (i) the grant of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate; and (iii) the re-election of retiring Directors. The notice convening the AGM is set out on pages 15 to 20 of this circular.

A form of proxy for use in connection with the AGM is enclosed with this circular. If you are not able to attend the AGM and wish to exercise your right as a Shareholder, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude any Shareholder from attending and voting in person at the AGM or its adjournment should he/she/it so wishes. If the Shareholders attends and votes at the AGM, the authority of the proxy will be revoked.

7. VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions to be proposed at the AGM and contained in the notice of the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors consider that (i) the grant of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchased Mandate; and (iii) the re-election of retiring Directors as set out in the notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM on pages 15 to 20 of this circular.

By order of the Board
Nexion Technologies Limited
Foo Moo Teng
Chairman and Executive Director

The following are the biographical details of the Directors who will retire as required by the Articles of Association and the GEM Listing Rules and are proposed to be re-elected at the AGM.

EXECUTIVE DIRECTOR

Mr. Shan Baofeng

Mr. Shan Baofeng (單寶鋒) (“**Mr. Shan**”), aged 43, has been appointed as an executive Director of the Company with effect from 31 July 2019. Mr. Shan is primarily responsible for overseeing the Group’s corporate strategy and daily operations in the PRC, as well as being in charge of overall development of Software-as-a-Service business in the PRC.

Mr. Shan graduated from Jinlin University (formerly named Jinlin Industry University) with a bachelor of engineering degree in computer information management in July 2000. He was the deputy manager of the prepaid card business department of Allinpay Network Services Co., Ltd. between March 2009 and May 2014. From May 2014 to June 2019, Mr. Shan was the implementation services director of Huadong Region of Shanghai Kingdee Software Technology Co., Ltd., a subsidiary of Kingdee International Software Group Company Limited (a company listed on the Stock Exchange, Stock code: 0268).

Mr. Shan has entered into a service contract with the Company for a term of three years commencing from the 31 July 2019, which may be terminated by not less than three months’ notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of the directors as set out in the Articles of Association.

Mr. Shan’s emoluments and discretionary bonus for the financial year ended 31 December 2019 amounted to approximately US\$19,000. Such emolument will be determined annually by the remuneration committee of the Company by reference to his relevant experience, responsibilities, workload and time devoted to the Group and performance of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Chan Ming Kit

Mr. Chan Ming Kit (陳銘傑) (“**Mr. Chan**”), aged 40, was appointed as an independent non-executive Director on 31 May 2017. He has involved in the legal industry for over 8 years, having started his legal career as a compliance officer with G2000 (Apparel) Limited from April 2007 to August 2011. He was called to the bar in Hong Kong in April 2012. Thereafter from 2013 to 2017, he was employed by M.C.A. Lai & Co Solicitors (now known as Lai M.C.A. Solicitors LLP). He was admitted as a solicitor of the High Court of Hong Kong in March 2015 and is presently a partner of Chan & Ho.

Mr. Chan graduated with a bachelor of laws from the University of Sheffield in the United Kingdom in 2005 and subsequently obtained his postgraduate certificate in laws from the City University of Hong Kong in July 2011.

Mr. Chan will enter into a service contract with the Company for a term of three years commencing from 31 May 2020, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of the directors as set out in the Articles of Association.

Mr. Chan's emoluments for the financial year ended 31 December 2019 amounted to approximately US\$22,000. Such emolument will be determined annually by the remuneration committee of the Company by reference to his relevant experience, responsibilities, workload and time devoted to the Group and performance of the Group.

Ms. Lim Joo Seng

Ms. Lim Joo Seng (林友欣) ("**Ms. Lim**"), aged 45, was appointed as an independent non-executive Director on 31 May 2017. She has involved in the finance industry for approximately 20 years, having started her career at Sekhar & Tan as a tax assistant from April 1999 to March 2000. Thereafter, she joined Deloitte KassimChan (a member firm of Deloitte Touche Tohmatsu) as an audit senior from May 2000 to December 2003. From February 2005 to February 2010, she joined Deloitte Touche Tohmatsu CPA Ltd. (Shanghai) as a manager. From February 2010 to January 2017, she joined XinRen Aluminium Holdings Limited, a company previously listed on the main board of the Singapore Exchange Securities Trading Limited in October 2010 and was subsequently privatised in year 2016 and is now a private holding company located in the PRC, as a chief financial officer. In December 2019, she joined Nestcon Infra Sdn. Bhd. as a chief financial officer.

Ms. Lim graduated with a bachelor of commerce from Macquarie University in Sydney, Australia in April 1998, and has been a member of the Malaysian Institute of Accountants and the Certified Public Accountants of Australia since September 2003 and January 2003, respectively.

Ms. Lim will enter into a service contract with the Company for a term of three years commencing from 31 May 2020, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of the directors as set out in the Articles of Association.

Ms. Lim's emoluments for the financial year ended 31 December 2019 amounted to approximately US\$22,000. Such emolument will be determined annually by the remuneration committee of the Company by reference to her relevant experience, responsibilities, workload and time devoted to the Group and performance of the Group.

Save as disclosed above, none of the above Directors (i) has held any directorships during the three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (ii) has any relationship with any other Directors, senior management or substantial or Controlling Shareholders of the Company; (iii) holds any positions in the Company or other members of the Group; (iv) has other major appointments and professional qualifications; and (v) has any interests or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations within the meaning of Part XV of SFO.

Save as disclosed above, there is no other information in relation to the appointment of the Directors which is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement on the Repurchase Mandate, as required by Rule 13.08 of the GEM Listing Rules to be given to all Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

The GEM Listing Rules permit companies whose primary listing on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

1. SHAREHOLDERS' APPROVAL

The GEM Listing Rules provide that all proposed repurchase of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval.

2. SHARE CAPITAL

As at the Latest Practicable Date, 720,000,000 Shares were in issue and fully paid. Subject to the passing of the relevant ordinary resolution for the Repurchase Mandate and assuming that no further Shares will be issued or no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM of passing such resolution, the Directors would be authorised to repurchase up to a maximum of 72,000,000 Shares, representing 10% of the total number of the issued Shares as at the date of passing the relevant resolution. The Repurchase Mandate will end on the earliest of (i) the conclusion of the next annual general meeting; (ii) the expiration of the period within which the next annual general meeting is required to be held by the Articles of Association or any applicable laws of the Cayman Islands; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

3. REASONS FOR REPURCHASE

The Directors have no present intention for any repurchase of Shares but are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole. Such repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

4. FUNDING OF REPURCHASE

Pursuant to the Repurchase Mandate, any repurchase would be funded entirely from the Company's funds legally available in accordance with the applicable law and regulations of the Cayman Islands, the Articles of Association and the memorandum of association of the Company for such purpose.

5. IMPACT ON WORKING CAPITAL OR GEARING POSITION

An exercise of the Repurchase Mandate in full would not have a material adverse impact on the working capital or gearing position of the Company when compared with that as at 31 December 2019, being the date of its latest published audited consolidated financial statements. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. DIRECTORS, CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective close associates have any present intention, if the Repurchase Mandate is approved by the Shareholders at the AGM, to sell any Share to the Company or its subsidiaries.

As at the Latest Practicable Date and to the best knowledge of the Directors having made all reasonable enquiries, no Core Connected Persons have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

8. EFFECT OF THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If, as a result of the repurchase of the Shares by the Company pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increases will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert (within the meaning under the Takeovers Code) could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the issued share capital of the Company:

| Name of shareholders | Capacity/Nature | Number of shares or underlying shares held/interested in | Approximate percentage of total issued Shares | |
|--|--------------------------------------|--|---|--|
| | | | As at the Latest Practicable Date | If Repurchase Mandate is exercised in full |
| Alpha Sense Investments Limited (“Alpha Sense (BVI)”) | Beneficial owner | 272,686,500 | 37.9% | 42.1% |
| Mr. Foo Moo Teng (chairman, executive Director and chief executive officer) (“Mr. Foo”) (Note 1) | Interest in a controlled corporation | 272,686,500 | 37.9% | 42.1% |
| Power Ace Investments Limited (“Power Ace”) (Note 2) | Beneficial owner | 83,330,000 | 11.6% | 12.9% |
| Mr. Hu Yebi (“Mr. Hu”) (Note 2) | Interest in a controlled corporation | 83,330,000 | 11.6% | 12.9% |
| Ms. Hu Yina (“Ms. Hu”) (Note 2) | Interest in a controlled corporation | 83,330,000 | 11.6% | 12.9% |

Note:

- Alpha Sense (BVI) is an investment holding company incorporated in the British Virgin Islands (“BVI”) and is held as to 100% by Mr. Foo. By virtue of the SFO, Mr. Foo is deemed to be interested in the shares held by Alpha Sense (BVI).
- Power Ace is an investment holding company incorporated in the BVI and is held as to 50% by Mr. Hu and 50% by Ms. Hu. By virtue of the SFO, Mr. Hu and Ms. Hu are deemed to be interested in the shares held by Power Ace.

On the basis of the aforesaid increase of shareholding held by the Shareholders set out above, in the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Mandate (if so approved), the shareholdings of Alpha Sense (BVI) in the Company would be increased to approximately 42.1% of the total issued share capital of the Company which would give rise to obligation on the controlling shareholders to make a mandatory offer under Rule 26 and Rule 32 of the Takeovers Code as a result of the exercise of the Repurchase Mandate. The Directors has no intention to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger any potential consequences under Rule 26 of the Takeovers Code.

Save as the above, the Directors are not aware of any consequences of such repurchases of Shares that would result in any Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code if the Repurchase Mandate was exercised in full.

The Directors will not repurchase the Shares on GEM if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

9. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months immediately before, and in the current month up to the Latest Practicable Date were as follows:

| | Share Price | |
|---------------------------------------|-----------------------|------------------------|
| | Lowest <i>HK\$</i> | Highest <i>HK\$</i> |
| 2019 | | |
| March | 0.135 | 0.160 |
| April | 0.128 | 0.151 |
| May | 0.115 | 0.150 |
| June | 0.100 | 0.120 |
| July | 0.100 | 0.119 |
| August | 0.089 | 0.114 |
| September | 0.082 | 0.100 |
| October | 0.085 | 0.099 |
| November | 0.087 | 0.102 |
| December | 0.080 | 0.094 |
| 2020 | | |
| January | 0.080 | 0.134 |
| February | 0.090 | 0.122 |
| March (up to Latest Practicable Date) | 0.092 | 0.119 |

NOTICE OF ANNUAL GENERAL MEETING



NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of Nexion Technologies Limited (the “Company”) will be held at 17/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Wednesday, 20 May 2020 at 10:30 a.m. (or an adjournment thereof) for the following purposes:

AS ORDINARY BUSINESSES

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and independent auditor of the Company for the year ended 31 December 2019;
2. (a) (i) To re-elect Mr. Shan Baofeng as an executive director of the Company;
(ii) To re-elect Mr. Chan Ming Kit as an independent non-executive director of the Company;
(iii) To re-elect Ms. Lim Joo Seng as an independent non-executive director of the Company;
2. (b) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company;
3. To re-appoint Mazars CPA Limited, *Certified Public Accountants* as the independent auditor of the Company and authorise the board of directors of the Company to fix its remuneration; and
4. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution below, and compliance with the requirements of the Rules Governing the Listing of Securities on GEM (“GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (the “Shares”) or securities convertible into or exchangeable for Shares, or options or warrants, for similar rights to subscribe for any

NOTICE OF ANNUAL GENERAL MEETING

Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association in force from time to time, shall not exceed the aggregate of 20% of the aggregate number of the Shares in issue as at the date of the passing of this resolution and such approval shall be limited accordingly; and that this resolution shall be limited by the applicable rules and requirements of the Stock Exchange as amended from time to time, including the restrictions for using the general mandate to issue (i) securities convertible into new shares of the Company for cash consideration, if the initial conversion price of such convertible securities is lower than the Benchmarked Price (as defined below) of the shares of the Company at the time of the relevant placing; and (ii) warrants, options or similar rights to subscribe for new shares or securities of the Company convertible into new shares of the Company for cash consideration; and
- (d) for the purposes of this resolution:

“**Benchmarked Price**” means the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate to be approved under this resolution; and
- (b) the average closing price in the 5 trading days immediately prior to the earlier of:
 - (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate to be approved under this resolution;

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(ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate to be approved under this resolution; and

(iii) the date on which the placing or subscription price is fixed.

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised from time to time) of the Cayman Islands or any other applicable laws; or

(iii) the date on which the authority set out in this resolution is revoked and varied by way of an ordinary resolution by the shareholders of the Company in general meeting;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other similar instruments giving the rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company or any recognised regulatory body or any stock exchange applicable to the Company).”

5. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) of this resolution below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase the issued Shares of the Company on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Commission**”) and the Stock Exchange for this purpose, subject to and in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised from time to time) of the Cayman Islands or any

NOTICE OF ANNUAL GENERAL MEETING

other applicable laws, the Code on Share Buy-backs issued by the Commission and the requirements of the GEM Listing Rules, be and is hereby generally and unconditionally approved and authorised;

(b) the aggregate number of the Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate number of the issued Shares as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised from time to time) of the Cayman Islands or any other applicable laws; or
- (iii) the date on which the authority set out in this resolution is revoked and varied by way of an ordinary resolution by the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the passing of resolution nos. 4 and 5 set out in the notice convening this meeting (the “**Notice**”) being passed, the general mandate granted to the Directors pursuant to resolution no. 4 set out above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal value of the Shares in the capital of the Company repurchased under the authority granted pursuant to resolution no. 5 set out in the Notice, provided that such number of Shares shall not exceed 10% of the aggregate number of the issued Shares as at the date of passing this Resolution.”

By order of the Board
Nexion Technologies Limited
Foo Moo Teng
Chairman and Executive Director

Hong Kong, 30 March 2020

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Notes:

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the AGM or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and vote, on a poll, instead of him/her/it. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
2. Completion and return of the form of proxy will not preclude a Member from attending and voting in person at the AGM or poll concerned if he/she/it so wishes. In the event of a Member who has lodged a form of proxy attending the AGM, his form of proxy will be deemed to have been revoked.
3. In order to be valid, the duly completed and, signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time for holding the AGM or adjourned meeting.
4. For determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 13 May 2020 to Wednesday, 20 May 2020 (both dates inclusive), during which period no transfer of Shares will be effected. To qualify for attending the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 12 May 2020 for registration.
5. In relation to the proposed resolution no. 4 above, approval is being sought from the Members for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the GEM Listing Rules. The Directors have no immediate plans to issue any new Shares.
6. In relation to the proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares only in the circumstances which they consider appropriate for the benefit of the Members. An explanatory statement on the Repurchase Mandate containing the information necessary to enable the Members to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix II to the Company’s circular dated 30 March 2020.
7. In compliance with Rule 17.47(4) of the GEM Listing Rules, voting on all proposed resolutions set out in this notice will be decided by way of a poll.
8. In case of joint holders of a share, any one of such joint holders may vote, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the AGM personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
9. (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and Members will be informed of the date, time and venue of the postponed AGM by an announcement posted on the respective websites of the Company and the Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING

- (b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before three hours before the time for holding the AGM and where conditions permit, the AGM will be held as scheduled.

The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, Members should decide on their own whether or not they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.