
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 2023 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 2023 AGM of the Company to be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Friday, 19 May 2023 at 10:30 a.m. is set out on pages 16 to 21 of this circular.

Whether or not you are able to attend the 2023 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the 2023 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 2023 AGM, the authority of your proxy will be revoked.

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

31 March 2023

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE

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.

DEFINITIONS

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

| | |
|---------------------------|--|
| “2023 AGM” | the annual general meeting of the Company to be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Friday, 19 May 2023 at 10:30 a.m., the notice of which is set out on pages 16 to 21 of this circular |
| “Articles of Association” | the articles of association of the Company as amended, modified or otherwise supplemented from time to time |
| “Board” | the Company’s board of Directors |
| “close associates” | has the same meaning ascribed thereto in the GEM Listing Rules |
| “Company” | Nexion Technologies Limited, an exempted company incorporated in the Cayman Islands with limited liability with its shares listed on GEM (Stock Code: 8420) |
| “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 2023 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

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|------------------------------|---|
| “Latest Practicable Date” | 24 March 2023, 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 |
| “Remuneration Committee” | the remuneration committee of the Company |
| “Repurchase Mandate” | the general mandate proposed to be granted to the Directors at the 2023 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 |

LETTER FROM THE BOARD



NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

Executive Director:

Mr. Ong Gim Hai (*Chairman*)

Non-executive Director:

Mr. Roy Ho Yew Kee

Independent Non-executive Directors:

Ms. Lim Joo Seng

Mr. Tang Chak Lam Gillbert

Mr. Yeung Chun Yue David

Registered Office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business

in Hong Kong:

Room 1910, 19/F, C C Wu Building

302-308 Hennessy Road

Wan Chai

Hong Kong

*Headquarter and principal place
of business in Singapore:*

Unit #10-03, Novelty BizCentre

18 Howard Road

Singapore 369585

31 March 2023

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 2023 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Directors will propose at the 2023 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.

LETTER FROM THE BOARD

The purpose of this circular is to give you notice of the 2023 AGM and provide you with the information regarding the above resolutions to be proposed at the 2023 AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

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 2022 will lapse at the conclusion of the 2023 AGM, an ordinary resolution will be proposed at the 2023 AGM to grant the Issue Mandate to the Directors. Based on 739,800,000 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 2023 AGM, the Directors will be authorised to allot, issue and deal with up to a total of 147,960,000 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 2023 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 2022 will lapse at the conclusion of the 2023 AGM, an ordinary resolution will be proposed at the 2023 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 739,800,000 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 2023 AGM, the Company would be allowed to repurchase a maximum of 73,980,000 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 2023 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.

LETTER FROM THE BOARD

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.

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 2023 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 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Ong Gim Hai (“**Mr. Ong**”) shall retire as an executive Director and Mr. Yeung Chun Yue David (“**Mr. Yeung**”) shall retire as an independent non-executive Director (the “**Retiring Directors**”).

The Retiring Directors, being eligible, offer themselves for re-election at the 2023 AGM. 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 2023 AGM.

LETTER FROM THE BOARD

The Nomination Committee has also assessed and reviewed the independent non-executive Director' 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. Yeung remains independent. To the best knowledge of the Directors, as at the date of this circular, the Company is not aware of any matters or events that may occur and affect the independence of Mr. Yeung. In considering the re-election of Mr. Ong as an executive Director and Mr. Yeung as an independent non-executive Director, 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 Mr. Ong's tenure as an executive Director and Mr. Yeung's tenure as an independent non-executive Director, both of them 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.

Therefore, with the recommendation of the Nomination Committee, the Board has proposed that the Retiring Directors, stand for re-election as Directors at the 2023 AGM by way of ordinary resolutions. Details of the Retiring Directors proposed to be re-elected are set out in Appendix I to this circular.

6. 2023 AGM

The Company will convene the 2023 AGM on Friday, 19 May 2023 at 10:30 a.m. at Portion 2, 12/F, The Center, 99 Queen's Road Central, 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 2023 AGM is set out on pages 16 to 21 of this circular.

A form of proxy for use in connection with the 2023 AGM is enclosed with this circular. If you are not able to attend the 2023 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the 2023 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 2023 AGM or its adjournment should he/she/it so wishes. If the Shareholders attends and votes at the 2023 AGM, the authority of the proxy will be revoked.

LETTER FROM THE BOARD

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 2023 AGM and contained in the notice of the 2023 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 2023 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.

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 2023 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 2023 AGM as set out in the notice of the 2023 AGM on pages 16 to 21 of this circular.

By order of the Board
Nexion Technologies Limited
Ong Gim Hai
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. Ong Gim Hai**

Mr. Ong Gim Hai (“**Mr. Ong**”), aged 47, has been appointed as an executive Director of the Company with effect from 2 November 2020, and has been subsequently appointed as (i) the chairman of the Board (the “**Chairman**”); (ii) the chief executive officer of the Company (the “**Chief Executive Officer**”); (iii) a member of nomination committee of the Company; (iv) the compliance officer of the Company; and (v) one of the authorised representatives of the Company on 31 May 2022. Mr. Ong is primarily in charge of the Group’s overall corporate strategy and daily operations of the Group, including business development and overall management.

Mr. Ong has over 20 years of experience in information technology and computer industry, helping multinationals to establish and to grow operations in the Association of Southeast Asian Nations ranging from startups to established organisations. From June 2008 to December 2010, Mr. Ong was an enterprise account manager of VMWare Inc. (a company listed on the New York Stock Exchange, stock code: VMW). From January 2012 to August 2015, Mr. Ong joined Palo Alto Networks Inc. (a company listed on the National Association of Securities Dealers Automated Quotations (“**NASDAQ**”), stock code: PANW) as a country manager, where he was responsible for managing operations in Malaysia. From August 2015 to December 2016, Mr. Ong was a managing director of Nutanix Inc. (a company listed on the NASDAQ, stock code: NTNX), he was responsible for managing sales operations in Malaysia and Brunei. In August 2017, Mr. Ong was appointed as an independent non-executive director of Key Alliance Group Berhad (a company listed on the Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”), stock code: KGROUP) and has been re-designated to executive director since October 2019.

Mr. Ong graduated from University of Sussex, United Kingdom with a bachelor’s degree in Engineering in Electrical and Electronic Engineering in June 1996.

Mr. Ong has entered into a letter of appointment with the Company as an executive Director for a term of three years commencing from 2 November 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. Ong's emoluments for the financial year ended 31 December 2022 amounted to approximately US\$17,000. 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. Yeung Chun Yue David**

Mr. Yeung Chun Yue David (楊振宇) (“**Mr. Yeung**”), aged 41, has been appointed as an independent non-executive Director of the Company with effect from 10 September 2020. Mr. Yeung is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Yeung has over 17 years of experience in accounting and tax advisory. From July 2004 to September 2017, Mr. Yeung worked in Cheng & Cheng Limited, Certified Public Accountants with his last position as a director. From September 2017 to July 2021, he worked in D & Partners CPA Limited with his last position as the managing partner and director. He is currently a committee member of the Panyu Committee of Chinese People's Political Consultative Conference.

Mr. Yeung has been appointed as an executive director of Hatcher Group Limited (a company listed on the GEM of the Stock Exchange, stock code: 8365) since July 2021; and Cornerstone Technologies Holdings Limited (a company listed on the GEM of the Stock Exchange, stock code: 8391) since August 2022. He has also been appointed as an independent non-executive director of Aeso Holding Limited (a company listed on GEM of the Stock Exchange, stock code: 8341) since April 2019; SANVO Fine Chemicals Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 301) since December 2019; and TL Natural Gas Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8536) since December 2021.

Mr. Yeung graduated from the City University of Hong Kong with a bachelor of business administration in accountancy in November 2004. Mr. Yeung is currently a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Tax Advisor of the Taxation Institute of Hong Kong.

Mr. Yeung has entered into a service contract with the Company for a term of three years commencing from 10 September 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. Yeung's emoluments for the financial year ended 31 December 2022 amounted to approximately US\$15,000. 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.

Save as disclosed above, none of the above Directors (i) has held other 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 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 2023 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, 739,800,000 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 2023 AGM of passing such resolution, the Directors would be authorised to repurchase up to a maximum of 73,980,000 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 and the Articles of Association 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 2022, 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 2023 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 2023 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 of underlying shares held/ interested in <i>(Note 1 and 2)</i> | 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)") <i>(Note 3)</i> | Beneficial owner | 154,838,000 (L) 154,838,000 (S) | 20.93% | 23.26% |
| Mr. Foo Moo Teng ("Mr. Foo") <i>(Note 3)</i> | Interested in a controlled corporation | 154,838,000 (L) 154,838,000 (S) | 20.93% | 23.26% |
| XOX (Hong Kong) Limited ("XOX Hong Kong") <i>(Note 4)</i> | Beneficial owner | 117,848,500 (L) | 15.93% | 17.70% |
| XOX Bhd ("XOX") <i>(Note 4)</i> | Interested in a controlled corporation | 117,848,500 (L) | 15.93% | 17.70% |
| UBS Group AG ("UBS") <i>(Note 5)</i> | Beneficial owner | 39,465,000 (L) | 5.33% | 5.93% |

Notes:

- (1) The Letter “L” demonstrates long position.
- (2) The Letter “S” demonstrates short position.
- (3) Alpha Sense (BVI) is an investment holding company incorporated in the British Virgin Islands and is wholly-owned by Mr. Foo. Mr. Foo has resigned as the Chairman, executive Director and the Chief Executive Officer with effect from 31 May 2022. By virtue of the SFO, Mr. Foo is deemed to be interested in the 154,838,000 Shares held by Alpha Sense (BVI).
- (4) XOX Hong Kong is an investment holding company incorporated in Hong Kong and is wholly-owned by XOX. XOX is a company incorporated in Malaysia, the shares of which are listed on Bursa Malaysia (stock code: 0165).
- (5) UBS is an investment holding company incorporated in Switzerland, the shares of which are listed on SIX Swiss Exchange (stock code: UBSG: SW) and on the New York Stock Exchange (stock code: UBS).

As at the Latest Practice Date, to the best of the knowledge and belief of the Company, on the basis of the aforesaid increase of shareholding held by the substantial 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 shareholding of substantial Shareholders have increased proportionately to not more than 30% of issued Shares of the Company. Such increase would not give rise to obligation on them 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> |
| 2022 | | |
| March | 0.153 | 0.175 |
| April | 0.135 | 0.165 |
| May | 0.165 | 0.320 |
| June | 0.201 | 0.310 |
| July | 0.147 | 0.250 |
| August | 0.129 | 0.190 |
| September | 0.053 | 0.137 |
| October | 0.041 | 0.085 |
| November | 0.051 | 0.065 |
| December | 0.038 | 0.130 |
| 2023 | | |
| January | 0.044 | 0.060 |
| February | 0.042 | 0.063 |
| March (up to Latest Practicable Date) | 0.043 | 0.079 |

NOTICE OF 2023 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 “**2023 AGM**”) of Nexion Technologies Limited (the “**Company**”) will be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on Friday, 19 May 2023 at 10:30 a.m. (or an adjournment thereof) for the purposes of considering and, if thought fit, passing with or without modification or amendment the following resolutions.

AS ORDINARY RESOLUTIONS

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 2022;
2. (a) (i) To re-elect Mr. Ong Gim Hai as an executive Director of the Company;
(ii) To re-elect Mr. Yeung Chun Yue David 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

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4. “**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 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

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- (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;
 - (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 Act, 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;

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“**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. “**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 Act, Cap. 22 (Law 3 of 1961, as consolidated or revised from time to time) of the Cayman Islands or any 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

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(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 Act, 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
Ong Gim Hai
Chairman and Executive Director

Hong Kong, 31 March 2023

Notes:

1. Any member of the Company (the “**Member**”) entitled to attend and vote at the 2023 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 2023 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 2023 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 2023 AGM, his form of proxy will be deemed to have been revoked.

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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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event no later than 48 hours before the time for holding the 2023 AGM or adjourned meeting.
4. For determining the entitlement of the Shareholders to attend and vote at the 2023 AGM, the register of members of the Company will be closed from Tuesday, 16 May 2023 to Friday, 19 May 2023 (both dates inclusive), during which period no transfer of Shares will be effected. To qualify for attending the 2023 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 15 May 2023 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 31 March 2023.
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 2023 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 2023 AGM, the 2023 AGM will be postponed and Members will be informed of the date, time and venue of the postponed 2023 AGM by an announcement posted on the respective websites of the Company and the Stock Exchange.

(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 2023 AGM and where conditions permit, the 2023 AGM will be held as scheduled.

The 2023 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 2023 AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.