

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE TARGET COMPANY

THE DISPOSAL

The Board is pleased to announce that on 21 December 2023 (after trading hours), Nexion Global, as the Vendor, and the Purchaser entered into the Agreement, pursuant to which Nexion Global agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, which will be satisfied by way of cash.

Upon the Completion, the Group will no longer hold any interest in the Target Company and the Target Group will cease to be accounted as subsidiaries of the Group.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 21 December 2023 (after trading hours), Nexion Global as the Vendor, and the Purchaser entered into the Agreement, pursuant to which Nexion Global agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, which will be satisfied by way of cash. A summary of the main terms of the Agreement are set out below.

THE AGREEMENT

Date: 21 December 2023 (after trading hours)

Parties: Nexion Global as the Vendor; and
the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be Disposed of

Pursuant to the Agreement, Nexion Global as the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares, representing the entire issued share capital of the Target Company. For details of the Target Group, please refer to the section headed "INFORMATION ON THE TARGET GROUP" of this announcement.

Consideration and Payment Manner

Pursuant to the Agreement, the Consideration for the Disposal is US\$250,000. The Consideration will be payable by the Purchaser at completion which shall take place on 29 December 2023. The Consideration shall be paid by cash.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser with reference to the unaudited financial statements for the period from 1 January 2023 to 30 November 2023 and the financial performance of the Target Group as set out in the section headed "INFORMATION ON THE TARGET GROUP" of this announcement, the market brand and position, as well as the business prospect of the Target Group.

Conditions precedent

Completion of the Disposal is conditional upon the satisfaction of, among others, the following conditions:

- (a) the Purchaser having completed its due diligence on the Target Group;
- (b) there does not exist any material adverse changes to the Target Group, or events or circumstances that would prevent the transactions contemplated under the Agreement from being continued or proceed;
- (c) compliance with all other applicable laws, rules and regulations including but not limited to the GEM Listing Rules for the transactions contemplated under the Agreement; and
- (d) the Consideration has been fully settled by the Purchaser in cash.

Completion

Subject to the fulfilment of the conditions precedent, the Completion shall take place on 29 December 2023 or such other date as Nexion Global as the Vendor and the Purchaser may agree in writing.

Upon the Completion, the Group will no longer hold any equity interest in the Target Company. The Target Group will cease to be accounted as subsidiaries of the Group and the financial results of the Target Group will cease to be consolidated into the financial results of the Group.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the British Virgin Islands with limited liability in 2016 and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding. The Sole Subsidiary of the Target Company is a company incorporated in Singapore with limited liability in 2002 and is principally engaged in the cyber infrastructure solutions business.

Financial information of the Target Group

Set out below are the financial information of the Target Company, as extracted from its unaudited financial statements for the period from 1 January 2023 to 30 November 2023 and audited financial statements for the years ended 31 December 2022 and 2021:

	For the year ended		For the
	31 December		period from
	2021	2022	1 January
	US\$'000	US\$'000	2023 to
	(Audited)	(Audited)	30 November
			2023
			US\$'000
			(Unaudited)
Net (liabilities) assets	(1,159)	(1,349)	214
Loss before tax	295	190	136
Loss after tax	295	190	136

Subject to final audit, the Group is expected to record a gain of approximately US\$36,000 on the Disposal, which is calculated by reference to the unaudited carrying value of the Target Group as at 30 November 2023.

INFORMATION ON THE GROUP, NEXION GLOBAL AS THE VENDOR AND THE PURCHASER

The Group and Nexion Global as the Vendor

Nexion Global is an investment holding company and a wholly-owned subsidiary of the Company. The Group is a well-established information and communications technology solution provider, which is principally engaged in provision of cyber infrastructure solutions services, cyber security solutions services and Software-as-a-Service.

The Purchaser

The Purchaser is a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

REASONS FOR THE DISPOSAL AND INTENDED USE OF NET PROCEEDS

Taking into account of the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the net assets of the Target Group at a reasonable price and the net proceeds derived from the Disposal amounting to approximately US\$247,500 will enable the Group to re-allocate more financial resources for future potential investment opportunities when arise and/or general working capital of the Group. Upon the Completion, the Group will no longer engage in the cyber infrastructure solutions business.

Having considered the above, the Directors are of the view that the terms of the Agreement are on normal commercial terms that are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Disposal is US\$250,000 and the net proceeds (after the deduction of related transaction expenses) are expected to be approximately US\$247,500. The Company intends to use the net proceeds derived from the Disposal for general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 19 of the GEM Listing Rules in respect of the transactions contemplated under the Agreement exceeds 5% but is less than 25%, the Disposal therefore constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 21 December 2023 entered into between the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Company”	Nexion Technologies Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Completion”	the completion of the Disposal under the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Consideration”	US\$250,000, being the total consideration for the Disposal
“Director(s)”	the director(s) of the Company

“Disposal”	the sale of the Sale Shares by the Vendor to the Purchaser
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Nexion Global”	Nexion Global Investments Limited, a limited liability company established in British Virgin Islands, the immediate holding company of the Target Company and a wholly-owned subsidiary of the Company as at the date of the Agreement
“Purchaser”	Mr. Seah Wee Han, a Singapore resident
“Sale Shares”	entire issued share capital of the Target Company
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Sole Subsidiary”	Netsis Technology (S) Pte. Ltd., a limited liability company established in Singapore and a wholly-owned subsidiary of the Target Company as at the date of the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Netsis Technology (BVI) Limited, a limited liability company established in British Virgin Islands and an indirect wholly-owned subsidiary of the Company as at the date of the Agreement
“Target Group”	the Target Company and its Sole Subsidiary
“US\$”	United States dollar(s), the lawful currency of the United States of America

“Vendor” Nexion Global

“%” per cent

By order of the Board
Nexion Technologies Limited
Ong Gim Hai
Chairman and Executive Director

Hong Kong, 21 December 2023

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Ong Gim Hai; one non-executive Director, namely Mr. Roy Ho Yew Kee; and three independent non-executive Directors, namely Ms. Lim Joo Seng, Mr. Tang Chak Lam Gilbert and Mr. Yeung Chun Yue David.

This announcement, 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 announcement 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 announcement misleading.

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