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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

PROFIT WARNING SUPPLEMENTAL ANNOUNCEMENT

This announcement is made by Nexion Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the profit warning announcement of the Company dated 16 March 2020 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide further information on the estimated figures regarding the significant loss attributable to equity holders of the Company for the Year and the reasons for the loss as disclosed in the Announcement. Based on the preliminary review of the Company’s unaudited management accounts for the Year, the Board wishes to inform the Shareholders and potential investors that the Group may record a loss attributable to equity holders of the Company of approximately US\$2,100,000, as compared to a profit attributable to equity holders of the Company of approximately US\$1,533,000 for the year ended 31 December 2018.

Based on the information currently available, the Board considered the change from profit to loss was mainly attributable to the following reasons:

- (i) significant decrease in segment profit of cyber security solutions segment. The Group may record segment profit of approximately US\$1,400,000 for the Year, as compared to segment profit of approximately US\$4,161,000 for the year ended 31 December 2018, which is mainly affected by political restrictions and challenges in certain countries;
- (ii) impairment loss on deposit on investment of approximately US\$583,000;

- (iii) loss on disposal of a subsidiary engaged in cyber security solutions business of approximately US\$481,000;
- (iv) partially offset by segment profit of approximately US\$500,000 generated from Software-as-a Service, a new business in People's Republic of China.

The Company is still in the process of finalising the consolidated financial results of the Group for the Year. The information contained in this announcement is only based on the information currently available to the Company and such information has not been reviewed or audited by the independent auditor of the Company or reviewed by the audit committee of the Company. Shareholders and potential investors are advised to peruse the financial results of the Company for the Year with care when it is released. The annual results announcement of the Group for the Year shall prevail over the information contained herein. It is scheduled that the annual results of the Company for the Year will be announced on or around 24 March 2020.

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

Hong Kong, 20 March 2020

As at the date of this announcement, the Board comprises three executive directors of the Company, namely Mr. Foo Moo Teng, Mr. Edgardo Osillada Gonzales II and Mr. Shan Baofeng; and three independent non-executive directors of the Company, namely Mr. Chan Ming Kit, Ms. Lim Joo Seng and Mr. Park Jee Ho.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, 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 GEM website at www.hkgem.com on the "Latest Listed Company Information" page and the website of the Company at <http://nexion.com.hk> for at least 7 days from the date of its publication.