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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

PROFIT WARNING

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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the “**Year**”), the Group expects to record a significant loss attributable to equity holders of the Company (*2018: profit attributable to equity holders of the Company of US\$1,533,000*). The expected loss is mainly due to (i) significant decrease in segment profits of cyber infrastructure solutions segment and cyber security solutions segment, which is mainly affected by political restrictions and challenges in certain countries; (ii) impairment loss on deposit on investment; (iii) loss on disposal of a subsidiary engaged in cyber security solutions business; and (iv) partially offset by segment profit generated from Software-as-a Service, a new business in People’s Republic of China.

The Board wishes to emphasise that the information contained in this announcement is based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the Year and the information currently available to the Board, which have not been audited or reviewed by the Company's independent auditor. As at the date of this announcement, the Company's annual results for the Year have not been finalised. 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, 16 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.