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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

VOLUNTARY ANNOUNCEMENT

COOPERATION FRAMEWORK AGREEMENT

This announcement is made by Nexion Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 24 April 2020, Naixin (Shanghai) Technologies Services Co., Ltd.* (耐信（上海）科技服務有限公司, “**Naixin (Shanghai)**”), a wholly-owned subsidiary of the Company, and SIC Electronic Bill Platform Information Service Co., Ltd.* (國信電子票據平台信息服務有限公司, “**SIC Electronic**”, and together with Naixin (Shanghai), the “**Parties**”) have entered into a sales channel cooperation framework agreement (the “**Cooperation Framework Agreement**”), for a term from the date of execution of the Cooperation Framework Agreement (i.e. 24 April 2020) to 18 March 2022. Pursuant to the Cooperation Framework Agreement, the Parties will cooperate with each other to provide: (i) tax control servers-based electronic bills integration development, application and services; (ii) tax control disk pack-based electronic bills integration development, application and services; (iii) value-added tax invoices input and output items management system; and (iv) financial tax bills small tool software (collectively, the “**National E-bill Information Products**”), to the customers in the People’s Republic of China (the “**PRC**”).

Pursuant to the Cooperation Framework Agreement, any new business opportunity must be approved by SIC Electronic. Naixin (Shanghai) will run the sales and services works independently, and upon signing contract with new customers, Naixin (Shanghai) can either be responsible for: (i) the on-site service works (such as late stage implementation and operation), with SIC Electronic be responsible for matters relating to the operation of electronic bill platform and tax control equipment; or (ii) the exploration of business opportunities, with SIC Electronic be responsible for pre-sale, sale and post-sale related matters. If either of the Parties has not entered into any sales contract with a new customer, the project with such customer will be terminated.

Price settlement and income distribution arrangement

If the Parties have entered into agreement with the customer for the sale of National E-bill Information Products, the price of such products will be determined by Naixin (Shanghai), and the income from the sale of such products should be distributed among the Parties according to the authorised dealer price schedule prescribed by SIC Electronic. If there is a special project, the price of the National E-bill Information Products will be agreed by the Parties. The income from the sale of National E-bill Information Products should be distributed among the Parties in accordance with the authorised dealer price schedule fifteen days upon receipt of payment from the customer.

REASONS FOR AND BENEFITS OF THE COOPERATION

SIC Electronic is a high-tech enterprise established in the PRC, which is an integrated tax control equipment, electronic bills, value-added tax management and financial tax services solutions provider. To the best of the knowledge of the Directors, it is one of the drafting units of the electronic invoice based information specification (電子發票基礎信息規範) of the PRC. It is also the owner of nearly 40 national intellectual property rights relating to invoice management. The Board believes that by cooperating with SIC Electronic, the Group could have licence to access to the electronic bill platform and tax control products developed and operated by SIC Electronic, which enables the Group to expand its business relating to provision of integrated tax management solutions to the customers in the PRC through Software-as-a-Service system of the Group.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, SIC Electronic and its ultimate beneficial owners are independent of, and not connected with the Company and connected person(s) (as defined in the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) of the Company.

The transaction contemplated in the Cooperation Framework Agreement is conducted in the ordinary and usual course of business of the Group and does not constitute a notifiable transaction or connected transaction for the Company under the GEM Listing Rules.

* *for identification purpose only.*

By order of the Board
Nexion Technologies Limited
Shan Baofeng
Executive Director

Hong Kong, 24 April, 2020

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

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 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.