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## **NEXION TECHNOLOGIES LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8420)**

### **DISCLOSEABLE TRANSACTION SOFTWARE COPYRIGHT TRANSFER AGREEMENT**

#### **SOFTWARE COPYRIGHT TRANSFER AGREEMENT**

The Board announces that on 28 August 2020, the Company has entered into the Software Copyright Transfer Agreement with O2O Solutions and Shanghai Zhongha, a wholly-owned subsidiary of O2O Solutions, pursuant to which Shanghai Zhongha shall transfer all the Copyrights in the PRC owned by Shanghai Zhongha, to the Company or its designated subsidiary at the Consideration of US\$1,700,000 (approximately HK\$13,175,000).

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio calculated pursuant to Chapter 19 of the GEM Listing Rules in respect of the transaction contemplated under the Software Copyright Transfer Agreement exceeds 5% but less than 25%, the transaction contemplated under the Software Copyright Transfer Agreement 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 requirements but exempt from the circular and shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

#### **SOFTWARE COPYRIGHT TRANSFER AGREEMENT**

The Board is pleased to announce that on 28 August 2020, the Company has entered into the Software Copyright Transfer Agreement with O2O Solutions and Shanghai Zhongha, a wholly-owned subsidiary of O2O Solutions, pursuant to which Shanghai Zhongha shall transfer all the Copyrights in the PRC owned by Shanghai Zhongha, to the Company or its designated subsidiary at the Consideration of US\$1,700,000 (approximately HK\$13,175,000).

The principal terms of the Software Copyright Transfer Agreement are set out as follows:

**Date**

28 August 2020

**Parties**

1. The Company;
2. Shanghai Zhongha; and
3. O2O Solutions

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, O2O Solutions, Shanghai Zhongha and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

**Subject Matter**

Pursuant to the Software Copyright Transfer Agreement, Shanghai Zhongha shall transfer all the Copyrights in the PRC owned by Shanghai Zhongha, to the Company or its designated subsidiary at the Consideration of US\$1,700,000 (approximately HK\$13,175,000). O2O Solutions and Shanghai Zhongha shall provide all necessary technical support in relation to the Software to the Company or its designated subsidiary.

**Consideration and Payment Manner**

The Consideration shall be satisfied by the Company in the following manner:

- (1) US\$1,350,000 (approximately HK\$10,462,500) of the Consideration shall be paid into the bank account of O2O Solutions or a bank account designated by O2O Solutions within ten Business Days from the date of execution of the Software Copyright Transfer Agreement; and
- (2) the remaining part of the Consideration, being US\$350,000 (approximately HK\$2,712,500) shall be paid into the bank account of O2O Solutions or a bank account designated by O2O Solutions within two years from the date of execution of the Software Copyright Transfer Agreement.

The Consideration was determined after arm's length negotiations between O2O Solutions and the Company with reference to the appraised value of the market value of the Software of approximately RMB11,800,000 as at 30 June 2020 as set out in the valuation report issued by an independent and qualified PRC valuer using the income based approach.

## **INFORMATION OF THE GROUP**

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.

## **INFORMATION OF O2O SOLUTIONS AND SHANGHAI ZHONGHA**

O2O Solutions is a company incorporated in Hong Kong and is principally engaged in sales of point-of-sales machines and provision of online payment settlement services. Shanghai Zhongha is a wholly-owned subsidiary of O2O Solutions, and is principally engaged in provision of software development and technical support services.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SOFTWARE COPYRIGHT TRANSFER AGREEMENT**

The Software is developed exclusively and owned by Shanghai Zhongha. It consists of 15 sets of computer software that support the operation of the cyber infrastructure solutions segment and cyber security solutions segment of the Group. The Board believes that by applying the Software, the Group can broaden the scope of cyber infrastructure solutions segment and cyber security solutions segment and provide more integrated services to its customers.

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

## **LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

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

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|-------------------|--|
| “Board”           | the board of directors of the Company                          |
| “Business Day(s)” | a day on which licensed banks in the PRC are open for business |

|                     |   |
|---------------------|---|
| “Company”           | Nexion Technologies Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM   |
| “connected person”  | has the meaning ascribed to it under the GEM Listing Rules  |
| “Consideration”     | the consideration for the transfer of all the Copyrights in the sum of US\$1,700,000 (approximately HK\$13,175,000) pursuant to the Software Copyright Transfer Agreement   |
| “Copyrights”        | the copyrights, including but not limited to the right of publication, authorship, alteration, reproduction, distribution, lease, information network dissemination, translation and all the other rights enjoyed by Shanghai Zhongha, of the Software in the PRC to be transferred to the Company or its designated subsidiary pursuant to the Software Copyright Transfer Agreement |
| “Directors”         | the directors of the Company  |
| “GEM”               | the GEM of the Stock Exchange   |
| “GEM Listing Rules” | the Rules Governing the listing of Securities on GEM  |
| “Group”             | the Company and its subsidiaries as at the date of this announcement  |
| “HK\$”              | the Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”         | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “O2O Solutions”     | O2O Solutions Limited (商貿通有限公司), a company incorporated in Hong Kong. It is owned as to approximately 66% by Ms. Pan Jianli (潘建麗), a merchant and an individual who is independent of the Company and its connected person  |
| “PRC”               | the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan  |
| “RMB”               | Renminbi, the lawful currency of the PRC  |
| “Shanghai Zhongha”  | 上海眾哈網絡科技服務有限公司 (Shanghai Zhongha Internet Technology Services Company Limited*), a company established in the PRC and a wholly-owned subsidiary of O2O  |
| “Share(s)”          | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company   |

|   |  |
|---|--|
| “Shareholder(s)”                        | the shareholders of the Company  |
| “Software”                              | the 15 sets of computer software owned by Shanghai Zhongha to be transferred to the Company or its designated subsidiary pursuant to the Software Copyright Transfer Agreement |
| “Software Copyright Transfer Agreement” | the software copyright transfer agreement dated 28 August 2020 and entered into between the Company and O2O Solutions  |
| “Stock Exchange”                        | The Stock Exchange of Hong Kong Limited  |
| “US\$”                                  | United States dollars, the lawful currency of the United States of America   |
| “%”                                     | per cent   |

\* for identification purpose only.

*Unless otherwise specified in this announcement, the exchange rate of US\$1.00 = HK\$7.75 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.*

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

Hong Kong, 28 August 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](http://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.*