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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY**

THE DISPOSAL

The Board announces that on 7 December 2020, Nexion Investment, an indirect wholly-owned subsidiary of the Company, has entered into the Property Transfer Agreement with Ewerwin, pursuant to which Nexion Investment agreed to sell and Ewerwin agreed to purchase the Property at the consideration of S\$1,500,000 (equivalent to approximately HK\$8,700,000 and approximately US\$1,119,000).

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 Property Transfer Agreement exceeds 5% but 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 requirements but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

The Property Transfer Agreement

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

Date

7 December 2020

Parties

1. Nexion Investment, as the vendor; and
2. Ewerwin, as the purchaser.

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

Subject Matter

Nexion Investment agreed to sell and Ewerwin agreed to purchase the Property on an "as-is and where-is" basis subject to the terms and conditions of the Property Transfer Agreement.

Consideration and Payment Manner

The consideration payable by Ewerwin to Nexion Investment in respect of the Disposal is S\$1,500,000 (equivalent to approximately HK\$8,700,000 and approximately US\$1,119,000) (exclusive of GST), which was determined after arm's length negotiations between Nexion Investment and Ewerwin with reference to the appraised market value of the Property of approximately S\$1,500,000 (equivalent to approximately HK\$8,700,000 and approximately US\$1,119,000) as at 4 December 2020 as set out in the valuation report issued by an independent and qualified valuer in Singapore using the sale comparison method.

The consideration shall be paid in two installments as follows:

- (1) a deposit of S\$75,000 (equivalent to approximately HK\$435,000 and approximately US\$56,000) will be payable by Ewerwin immediately upon signing the Property Transfer Agreement; and
- (2) the balance of S\$1,425,000 (equivalent to approximately HK\$8,265,000 and approximately US\$1,063,000) will be payable by Ewerwin at completion which shall take place on or before 29 December 2020.

The consideration shall be paid by way of cheque issued to Nexion Investment's solicitor, Ctlc Law Corporation.

Completion

Completion of the Disposal shall take place on the day immediately after the date of receipt of the consideration in full by 29 December 2020.

INFORMATION OF THE PROPERTY

The Property is an office unit with a gross floor area of 1,862 square feet, which is used for investment purpose and sold subject to existing tenancy.

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 EWERWIN

Ewerwin is a company incorporated in Singapore with limited liability and is principally engaged in investment holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Ewerwin is owned as to 50% by Mr. Cheng Heng Kim (“**Mr. Cheng**”) and Mr. Oh Joo Hin (“**Mr. Oh**”). Mr. Cheng and Mr. Oh are merchants.

FINANCIAL IMPACT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The carrying value of the Property as shown in the audited consolidated financial statements of the Company as at 31 December 2019 was approximately US\$1,149,000 (equivalent to S\$1,550,000 and approximately HK\$8,905,000). Subject to review and confirmation by the auditors, the Group is expected to record a loss of approximately US\$30,000 (equivalent to S\$50,000 and approximately HK\$205,000), which is calculated based on the consideration received by the Group for the Disposal less the carrying value of the Property with effect of exchange alignment as at 31 December 2019 before any related expenses.

It is estimated that the net proceeds from the Disposal after deducting relevant costs and expenses (before tax) would be approximately S\$1,498,000 (equivalent to approximately HK\$8,688,000 and approximately US\$1,118,000). The Company intends to use the net proceeds from the Disposal can be used for re-investment for other potential projects and/or business opportunities that may arise and as general working capital of the Group.

REASONS FOR THE DISPOSAL

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 Property at a reasonable price and the proceeds from the Disposal will enable the Group to re-allocate more financial resources on future potential investment opportunities and/or working capital of the Group.

Having considered the above, the Directors are of the view that the terms of the Property Transfer 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.

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DEFINITIONS

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

“Board”	the board of directors of the Company
“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
“Directors”	the directors of the Company
“Disposal”	disposal of the Property by Nexion Investment to Ewerwin pursuant to the Property Transfer Agreement
“Ewerwin”	Ewerwin Pte. Ltd., a company incorporated in Singapore with limited liability
“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
“GST”	Goods and Service Tax in Singapore
“HK\$”	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
“Nexion Investment”	Nexion Investment Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of the Company
“Property”	the office unit located at Unit #10–04 Novelty Bizcentre, 18 Howard Road, Singapore 369585
“Property Transfer Agreement”	The property transfer agreement dated 7 December 2020 and entered into between Nexion Investment and Ewerwin
“S\$”	Singapore dollar, the lawful currency of Singapore
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

Unless otherwise specified in this announcement, the exchange rate of SG\$1 = HK\$5.80, US\$1.00 = HK\$7.75 and US\$1 = SG\$1.34 have been used, where applicable, for the purpose of illustration only and do 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, 7 December 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Foo Moo Teng (Chairman), Mr. Ong Gim Hai and 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 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.