

ANNOUNCEMENT OF OFFER PRICE AND ALLOTMENT RESULTS

SUMMARY

- The Offer Price has been determined at HK\$0.48 per Public Offer Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Offer Price of HK\$0.48 per Public Offer Share, the net proceeds from Public Offer to be received by the Company, after deduction of the professional fees, underwriting commissions and other fees payable by the Company in connection with the Public Offer and the Listing, is estimated to be approximately HK\$49.4 million. For details regarding use of net proceeds, please refer to the paragraphs headed “Offer Price and Net Proceeds from the Public Offer” in this announcement.
- The Public Offer Shares initially offered have been moderately over-subscribed. A total of 1,543 valid applications have been received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and to the **HK eIPO White Form** Service Provider through the **HK eIPO White Form** service (www.hkeipo.hk) for a total of 440,710,000 Public Offer Shares, representing approximately 2.94 times of the total number of 150,000,000 Public Offer Shares initially available for subscription under the Public Offer.
- The final Offer Price, the level of applications under the Public Offer and the basis of allocation of the Public Offer Shares are published on Thursday, 15 June 2017 on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.nexion.com.hk.
- The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and dates and in the manner specified below:
 - in the announcement to be posted on the Company’s website at www.nexion.com.hk and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, 15 June 2017;
 - from the designated results of allocations website at www.tricor.com.hk/ipo/result with a “search by ID” function on a 24-hour basis from 8:00 a.m. on Thursday, 15 June 2017 to 12:00 midnight on Wednesday, 21 June 2017;
 - by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 15 June 2017 to Tuesday, 20 June 2017 on a business day;

- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 15 June 2017 to Saturday, 17 June 2017 at all the receiving bank's designated branches as set out in the paragraphs headed "Results of Allocations" in this announcement.
- Applicants who have applied for 1,000,000 or more Public Offer Shares using **WHITE** Application Forms and have provided all information required by their Application Forms or applicants who have applied for 1,000,000 or more Public Offer Shares through the **HK eIPO White Form** service by submitting an electronic application through the designated website www.hkeipo.hk and the application is wholly or partially successful, may collect their share certificate(s) and/or refund cheque(s) (where applicable) in person from Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 15 June 2017 or such other date as announced by the Company.
 - Applicants who have applied for less than 1,000,000 Public Offer Shares on **WHITE** Application Forms or applicants who have applied for less than 1,000,000 Public Offer Shares through **HK eIPO White Form** service by submitting an electronic application through the designated website www.hkeipo.hk, will have their share certificate(s) and/or refund cheque(s) (where applicable) sent to the address on their Application Forms on Thursday, 15 June 2017, by ordinary post at their own risk.
 - Share certificates (if any) for Public Offer Shares allotted to applicants using **YELLOW** Application Forms and those who applied by giving **electronic application instructions** to HKSCC via CCASS are expected to be deposited into CCASS for credit to their CCASS Investor Participant's stock accounts or the stock accounts of their designated CCASS Participants, as appropriate, on Thursday, 15 June 2017 or, in the event of a contingency, on any other date determined by HKSCC or HKSCC Nominees.
 - For applicants who have applied for the Public Offer Shares using the **HK eIPO White Form** service and who have paid the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. Applicants who have applied through **HK eIPO White Form** service and paid the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in their application instructions to the **HK eIPO White Form** Service Provider in the form of refund cheque(s) on Thursday, 15 June 2017, by ordinary post at their own risk.
 - Refund of the application monies (if any) in respect of wholly or partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Public Offer Share initially paid on application (including brokerage fee, SFC transaction levy and the Stock Exchange trading fee but without interest) made via giving **electronic application instructions** to HKSCC will be credited to their designated bank accounts or the designated bank accounts of their brokers or custodians on Thursday, 15 June 2017.

- Share certificates for the Public Offer Shares will only become valid certificates of title at 8:00 a.m. on Friday, 16 June 2017 provided that (a) the Public Offer has become unconditional in all respects; and (b) the right of termination described under the section headed “Underwriting — Underwriting arrangements and expenses — Public Offer — Public Offer Underwriting Agreement — Grounds for termination” in the Prospectus has not been exercised.
- No temporary document of title will be issued in respect of the Public Offer Shares. No receipt will be issued for sums paid on application for the Public Offer Shares.
- Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. on Friday, 16 June 2017, dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 16 June 2017. The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Company is 8420.

OFFER PRICE AND NET PROCEEDS FROM THE PUBLIC OFFER

The Offer Price has been determined at HK\$0.48 per Public Offer Share (excluding brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Offer Price of HK\$0.48 per Public Offer Share, the net proceeds from the Public Offer to be received by the Company, after deduction of the professional fees, underwriting commissions and other fees payable by the Group in connection with the Public Offer and the Listing, is estimated to be approximately HK\$49.4 million. The Company intends to use the net proceeds from the Public Offer as follows:

- approximately 28.9% of the net proceeds or approximately HK\$14,275,000 (equivalent to approximately US\$1,830,000), for acquiring the property as the Group’s headquarters and R&D centre in Singapore and upgrading the Group’s R&D facilities;
- approximately 10.7% of the net proceeds or approximately HK\$5,285,000 (equivalent to approximately US\$678,000), for expanding product lines by developing new products, upgrading the Group’s existing products and strengthening the Group’s R&D team;
- approximately 11.8% of the net proceeds or approximately HK\$5,829,000 (equivalent to approximately US\$747,000), for expanding the Group’s sales and marketing team and establishing regional offices;
- approximately 12.0% of the net proceeds or approximately HK\$5,927,000 (equivalent to approximately US\$760,000), for developing Netsis Hybrid Converge Hub in Singapore to broaden the Group’s revenue;

- approximately 27.3% of the net proceeds or approximately HK\$13,485,000 (equivalent to approximately US\$1,729,000), for developing Netsis Security Hub in Hong Kong to broaden the Group's revenue; and
- approximately 9.3% of the net proceeds or approximately HK\$4,594,000 (equivalent to approximately US\$589,000) for the working capital of the Group.

Please refer to the section headed "Statement of Business Objectives and Use of Proceeds — Use of Proceeds" of the Prospectus for further information.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PUBLIC OFFER

The Company announces that at the close of the application lists at 12:00 noon on Friday, 9 June 2017, a total of 1,543 valid applications have been received pursuant to the Public Offer on **WHITE** and **YELLOW** Application Forms and through giving **electronic application instructions** to HKSCC via CCASS and to the **HK eIPO White Form** Service Provider through the **HK eIPO White Form** service (www.hkeipo.hk) for a total of 440,710,000 Public Offer Shares, representing approximately 2.94 times of the total number of 150,000,000 Public Offer Shares available for subscription under the Public Offer.

No multiple applications or suspected multiple applications have been identified and rejected. No application has been rejected due to bounced cheque. No application has been rejected due to invalid application. No application for more than 75,000,000 Shares, being 50% of the total number of Public Offer Shares available under the Public Offer, has been identified.

Out of the 1,543 valid applications for a total of 440,710,000 Public Offer Shares:

- 1,523 valid applications for a total of 220,710,000 Public Offer Shares were for Public Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$0.55 per Public Offer Share (excluding brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of HK\$5.0 million or less (equivalent to approximately 294% of the 75,000,000 Public Offer Shares initially available for allocation in pool A of the Public Offer); and
- 20 valid applications for a total of 220,000,000 Public Offer Shares were for Public Offer Shares with an aggregate subscription amount based on the maximum Offer Price of HK\$0.55 per Public Offer Share (excluding brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of more than HK\$5.0 million (equivalent to approximately 293% of the 75,000,000 Public Offer Shares initially available for allocation in pool B of the Public Offer).

The Public Offer Shares offered in the Public Offer were conditionally allocated on the basis set out in the paragraphs headed "Basis of Allocation under the Public Offer" in this announcement.

BASIS OF ALLOCATION UNDER THE PUBLIC OFFER

Subject to the satisfaction of the conditions set out in the section headed “Structure and Conditions of the Public Offer — Conditions of the Public Offer” in the Prospectus, valid applications made by the public on **WHITE** and **YELLOW** Application Forms and by giving **electronic application instructions** to HKSCC via CCASS and by applying through the **HK eIPO White Form** service will be conditionally allocated on the basis set out below:

Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
Pool A			
5,000	708	354 out of 708 applicants to receive 5,000 Shares	50.00%
10,000	177	149 out of 177 applicants to receive 5,000 Shares	42.09%
15,000	88	5,000 Shares plus 21 out of 88 applicants to receive an additional 5,000 Shares	41.29%
20,000	116	5,000 Shares plus 70 out of 116 applicants to receive an additional 5,000 Shares	40.09%
25,000	57	5,000 Shares plus 55 out of 57 applicants to receive an additional 5,000 Shares	39.30%
30,000	43	10,000 Shares plus 14 out of 43 applicants to receive an additional 5,000 Shares	38.76%
35,000	24	10,000 Shares plus 16 out of 24 applicants to receive an additional 5,000 Shares	38.10%
40,000	21	15,000 Shares	37.50%
45,000	17	15,000 Shares plus 6 out of 17 applicants to receive an additional 5,000 Shares	37.25%
50,000	52	15,000 Shares plus 34 out of 52 applicants to receive an additional 5,000 Shares	36.54%
60,000	23	20,000 Shares plus 8 out of 23 applicants to receive an additional 5,000 Shares	36.23%

Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
70,000	17	25,000 Shares	35.71%
80,000	17	25,000 Shares plus 11 out of 17 applicants to receive an additional 5,000 Shares	35.29%
90,000	13	30,000 Shares plus 4 out of 13 applicants to receive an additional 5,000 Shares	35.04%
100,000	42	30,000 Shares plus 40 out of 42 applicants to receive an additional 5,000 Shares	34.76%
200,000	25	65,000 Shares plus 20 out of 25 applicants to receive an additional 5,000 Shares	34.50%
300,000	9	100,000 Shares plus 6 out of 9 applicants to receive an additional 5,000 Shares	34.44%
400,000	6	135,000 Shares plus 3 out of 6 applicants to receive an additional 5,000 Shares	34.38%
500,000	10	170,000 Shares plus 2 out of 10 applicants to receive an additional 5,000 Shares	34.20%
600,000	1	205,000 Shares	34.17%
700,000	3	235,000 Shares plus 2 out of 3 applicants to receive an additional 5,000 Shares	34.05%
800,000	3	270,000 Shares	33.75%
900,000	5	300,000 Shares plus 3 out of 5 applicants to receive an additional 5,000 Shares	33.67%
1,000,000	13	335,000 Shares	33.50%
2,000,000	10	665,000 Shares plus 6 out of 10 applicants to receive an additional 5,000 Shares	33.40%
3,000,000	3	1,000,000 Shares	33.33%

Number of Shares applied for	Number of valid applications	Basis of allocation/ballot	Approximate percentage allotted of the total number of Shares applied for
4,000,000	5	1,325,000 Shares plus 3 out of 5 applicants to receive an additional 5,000 Shares	33.20%
5,000,000	2	1,655,000 Shares plus 1 out of 2 applicants to receive an additional 5,000 Shares	33.15%
6,000,000	3	1,985,000 Shares plus 1 out of 3 applicants to receive an additional 5,000 Shares	33.11%
7,000,000	4	2,310,000 Shares plus 3 out of 4 applicants to receive an additional 5,000 Shares	33.05%
8,000,000	2	2,640,000 Shares plus 1 out of 2 applicants to receive an additional 5,000 Shares	33.03%
9,000,000	<u>4</u>	2,970,000 Shares	33.00%
Total:	<u><u>1,523</u></u>		
Pool B			
10,000,000	18	3,700,000 Shares	37.00%
20,000,000	<u>2</u>	4,200,000 Shares	21.00%
Total:	<u><u>20</u></u>		

Based on the above allocation, a total of 1,161 applicants will be conditionally allotted under the Public Offer.

RESULTS OF ALLOCATIONS

The final Offer Price, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are published on Thursday, 15 June 2017 on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.nexion.com.hk.

The results of allocations and the Hong Kong Identity Card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and dates and in the manner specified below:

- in the announcement to be posted on the Company's website at www.nexion.com.hk and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Thursday, 15 June 2017;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 15 June 2017 to 12:00 midnight on Wednesday, 21 June 2017;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Thursday, 15 June 2017 to Tuesday, 20 June 2017 on a business day;
- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 15 June 2017 to Saturday, 17 June 2017 at all the receiving bank's designated branches at the addresses set out below:

Bank of Communications Co., Ltd. Hong Kong Branch

District	Branch name	Address
Hong Kong Island	Central District Sub-Branch	G/F., Far East Consortium Building, 125A Des Voeux Road Central, Central
	Wanchai Sub-Branch	Shop B on G/F., Johnston Court, 32–34 Johnston Road
Kowloon	Jordan Road Sub-Branch	1/F., Booman Building, 37U Jordan Road
	Kwun Tong Sub-Branch	Shop E, Block G & H, G/F., East Sun Industrial Centre, 16 Shing Yip Street, Kwun Tong
New Territories	Sha Tsui Road Sub-Branch	Shops Nos. 3–5 on G/F., Kwong Ming Building, 120–130 Sha Tsui Road, Tsuen Wan

Applicants applying through a designated CCASS Participant (other than a CCASS Investor Participant) using a **YELLOW** Application Form, should check the number of Public Offer Shares allocated to them with such designated CCASS Participant.

Applicants applying through a broker or custodian by giving **electronic application instructions** on their behalf should check the number of Public Offer Shares allocated to them with such broker or custodian.

Applicants applying as a CCASS Investor Participant using a **YELLOW** Application Form or giving **electronic application instructions** to HKSCC via CCASS should check this announcement, and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 15 June 2017 or such other date as determined by HKSCC or HKSCC Nominees. Applicants applying as a CCASS Investor Participant using a **YELLOW** Application Form or giving **electronic application instructions** to HKSCC via CCASS may also check their new account balances via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 15 June 2017. HKSCC will also make available to CCASS Investor Participants an activity statement showing the number of Public Offer Shares credited to their CCASS Investor Participant's stock account.