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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of Nexion Technologies Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") 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.

RESULTS

The board of directors (the "Board") of Nexion Technologies Limited hereby announces the consolidated financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017, together with the comparative figures of the previous corresponding year are as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2017

	Note	**2017**	2016
		US$'000	*US$'000*
Revenue	*4*	**8,538**	5,635
Other income		**209**	84
Cost of inventories sold		**(3,164)**	(2,122)
Staff costs and related expenses		**(1,195)**	(928)
Depreciation and amortisation		**(277)**	(316)
Other operating expenses		**(752)**	(428)
Listing expenses		**(1,633)**	(514)
Profit before income tax		**1,726**	1,411
Income tax expenses	*5*	**(546)**	(135)
Profit for the year attributable to owners of the Company		**1,180**	1,276
Other comprehensive income			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on consolidation		**14**	–
Total comprehensive income for the year attributable to owners of the Company		**1,194**	1,276
Earnings per share, basic and diluted (US cents)	*6*	**0.225**	0.306

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Note	2017 US$'000	2016 US$'000
Non-current assets			
Property, plant and equipment		**774**	103
Intangible assets		**617**	471
Deposits paid for acquisition of property, plant and equipment		**115**	–
		1,506	574
Current assets			
Inventories		**78**	63
Trade and other receivables	*8*	**5,885**	2,389
Bank balances and cash		**9,492**	3,000
		15,455	5,452
Current liabilities			
Trade and other payables	*9*	**1,406**	494
Income tax payable		**582**	71
		1,988	565
Net current assets		**13,467**	4,887
Total assets less current liabilities		**14,973**	5,461
Non-current liabilities			
Deferred tax liabilities		**101**	82
NET ASSETS		**14,872**	5,379
Capital and reserves			
Share capital	*10*	**769**	–
Reserves		**14,103**	5,379
TOTAL EQUITY		**14,872**	5,379

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2017

		Reserves					
	Share capital *US$'000* *(Note 10)*	**Share premium** *US$'000*	**Capital reserve** *US$'000*	**Statutory reserve** *US$'000*	**Exchange reserve** *US$'000*	**Accumulated profits** *US$'000*	**Total** *US$'000*
At 1 January 2016	–	–	627	–	–	2,253	2,880
Profit for the year and total comprehensive income for the year	–	–	–	–	–	1,276	1,276
Transactions with owners:							
Contributions and distributions							
Issue of share capital *(Note 10(v))*	–	1,200	–	–	–	–	1,200
Additional capital contribution made by the then shareholders of a subsidiary	–	–	23	–	–	–	23
Total transactions with owners	–	1,200	23	–	–	–	1,223
At 31 December 2016	–	1,200	650	–	–	3,529	5,379
At 1 January 2017	**–**	**1,200**	**650**	**–**	**–**	**3,529**	**5,379**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**1,180**	**1,180**
Other comprehensive income							
Exchange difference on consolidation	**–**	**–**	**–**	**–**	**14**	**–**	**14**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**14**	**1,180**	**1,194**
Transactions with owners:							
Contributions and distributions							
Capitalisation Issue *(Note 10(vi))*	**577**	**(577)**	**–**	**–**	**–**	**–**	**–**
Issue of new shares by way of public offer *(Note 10(vii))*	**192**	**9,039**	**–**	**–**	**–**	**–**	**9,231**
Transaction costs attributable to issue of new shares	**–**	**(932)**	**–**	**–**	**–**	**–**	**(932)**
Appropriation of statutory reserve	**–**	**–**	**–**	**121**	**–**	**(121)**	**–**
Total transactions with owners	**769**	**7,530**	**–**	**121**	**–**	**(121)**	**8,299**
At 31 December 2017	**769**	**8,730**	**650**	**121**	**14**	**4,588**	**14,872**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	2017	2016
	US$'000	*US$'000*
OPERATING ACTIVITIES		
Profit before income tax	**1,726**	1,411
Adjustments for:		
Amortisation	**177**	252
Depreciation	**100**	64
Cash flows from operation before movements in working capital	**2,003**	1,727
Inventories	**(15)**	(19)
Trade and other receivables	**(3,479)**	(781)
Due from a related company	**–**	76
Trade and other payables	**912**	62
Cash (used in) generated from operations	**(579)**	1,065
Income tax paid	**(19)**	(14)
Net cash (used in) from operating activities	**(598)**	1,051
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(771)**	(19)
Deposits paid for acquisition of property, plant and equipment	**(115)**	–
Additions to intangible assets	**(323)**	(306)
Net cash used in investing activities	**(1,209)**	(325)
FINANCING ACTIVITIES		
Issue of share capital	**–**	1,200
Additional capital contribution made by the then shareholders of a subsidiary	**–**	23
Proceeds from issuance of new shares in connection with the listing of the Company's shares	**9,231**	–
Payments of share issuance expenses	**(932)**	–
Net cash from financing activities	**8,299**	1,223
Net increase in cash and cash equivalents	**6,492**	1,949
Cash and cash equivalents at the beginning of the reporting period	**3,000**	1,051
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	**9,492**	3,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2017

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Nexion Technologies Limited was incorporated as an exempted company with limited liability in the Cayman Islands on 22 June 2016. The Company's shares were listed on GEM of the Stock Exchange on 16 June 2017 (the "Listing"). The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business is situated at Unit #08-03, HB Centre I, 12 Tannery Road, Singapore 347722.

The principal activity of the Company is an investment holding company. The Group are principally engaged in provision of cyber infrastructure solutions services and research and development, and provision of cyber security solutions services.

Pursuant to a group reorganisation (the "Reorganisation") carried out by the Group in preparation for the listing of shares of the Company on GEM of the Stock Exchange, the Company became the holding company of the subsidiaries now comprising the Group on 30 June 2016. Details of the Reorganisation are as set out in the paragraph headed "Reorganisation" of the section headed "History, Reorganisation and Corporate Structure" to the prospectus issued by the Company dated 6 June 2017 (the "Prospectus").

The Reorganisation involved the combination of a number of entities under common control before and after the Reorganisation. The Group is therefore regarded as a continuing entity resulting from the Reorganisation, as there has been a continuation of the risks and benefits to the then ultimate controlling party (i.e. Mr. Foo Moo Teng ("Mr. Foo"), the single largest shareholder of the Company) that existed immediately prior to and after the Reorganisation. Accordingly, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year ended 31 December 2016 have been prepared using the principles of the merger accounting as if the current group structure had been in existence throughout the relevant year, or since their respective dates of incorporation or establishment of the combining entities, or since the date when the combining entities first came under the common control, whichever was shorter.

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the GEM Listing Rules.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Group has consistently applied all IFRSs which are effective for the Group's financial year beginning on 1 January 2016 for the consolidated financial statements. The adoption of the new/revised IFRSs that are relevant to the Group and effective from the current year had no significant effects on the financial performance and financial position of the Group for the current and prior years.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost.

Future changes in IFRSs

The IASB has issued the following new/revised IFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to IAS 40	*Transfers of Investment Property* [1]
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions* [1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* [1]
Annual Improvements to IFRSs	*2014 – 2016 Cycle: IAS 28* [1]
IFRIC Interpretation 22	*Foreign Currency Transactions and Advance Consideration* [1]
IFRS 9	*Financial Instruments* [1]
IFRS 15	*Revenue from Contracts with Customers* [1]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures* [2]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation* [2]
Annual Improvements to IFRSs	*2015 – 2017 Cycle* [2]
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments* [2]
IFRS 16	*Leases* [2]
IFRS 17	*Insurance Contracts* [3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [4]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after 1 January 2021
[4] The effective date of the amendments to be determined

Save for IFRS 9, IFRS 15 and IFRS 16 as set out below, the management of the Group does not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the Group's consolidated financial statements.

IFRS 9: Financial Instruments
IFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirement of IFRS 9 which is relevant to the Group is in relation to the impairment of financial assets, of which IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Future changes in IFRSs *(Continued)*

IFRS 9: Financial Instruments *(Continued)*

Based on the Group's financial instruments and risk management policies at 31 December 2017, the management of the Group preliminarily anticipate that the application of IFRS 9 in the future may have an impact of the Group's financial assets. In particular, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on it financial assets measured at amortised cost upon the adoption of IFRS 9.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction contracts" and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, IFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The management of the Group preliminarily considers that the performance obligations that may be identified under IFRS 15 are similar to the current identification of revenue components under the Group's existing revenue recognition policy developed under IAS 18 and therefore, the adoption of IFRS 15 in the future will have no significant impact on recognition of revenue. However, the application of IFRS 15 in future may result in more disclosures.

IFRS 16: Leases

IFRS 16 significantly changes the lessee accounting by replacing the dual model under IAS 17 with a single model which requires a lessee to recognise assets and liabilities for the rights and obligations created by leases unless the exemptions apply. Besides, among other changes, it requires enhanced disclosures to be provided by lessees and lessors. Based on the preliminary assessment, the management is of the opinion that the leases of certain properties by the Group which are currently classified as operating leases under IAS 17 will trigger the recognition of right-of-use assets and lease liabilities in accordance with IFRS 16. In subsequent measurement, depreciation (and, if applicable, impairment loss) and interest will be recognised on the right-of-use assets and the lease liabilities respectively, of which the amount in total for each reporting period is not expected to be significantly different from the periodic operating lease expenses recognised under IAS 17. Apart from the effects as outlined above, it is not expected that IFRS 16 will have a material impact on the future financial position, financial performance and cash flows of the Group upon adoption.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Future changes in IFRSs *(Continued)*

IFRS 16: Leases *(Continued)*

The management of the Company does not expect the adoption of IFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that the Group has to separately recognise the interest expenses on the lease liabilities and the depreciation expense on the right-of-use assets, and that certain portion of the future minimum lease payments under the Group's operating leases will be required to be recognised in the Group's consolidated statements of financial position as right-of-use assets and lease liabilities. The Group will also be required to remeasure the lease liabilities upon the occurrence of certain events such as a change in the lease term and recognise the amount of the remeasurement of the lease liabilities as an adjustment to the right-of-use assets. In addition, payments for the principal portion of the lease liabilities will be presented within financing activities in the Group's consolidated statements of cash flows.

3. SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision-makers. The executive directors of the Company review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Based on the products, solutions and services offered by the Group to the customers, the executive directors of the Company consider that the operating segments of the Group comprise (i) cyber infrastructure solutions, including maintenance and support service income; and (ii) cyber security solutions.

The measure used for reporting segment results is "Adjusted EBITDA" (i.e. "adjusted earnings before interest, taxes, depreciation and amortisation"). To arrive at the Adjusted EBITDA, the Group's earnings before interest, taxes, depreciation and amortisation are further adjusted for items not specifically attributed to individual segments, such as Listing expenses, directors' and auditors' remuneration and other head office or corporate administrative costs.

No analysis of the Group's assets and liabilities by operating segments is presented as it is not regularly provided to the chief operating decision makers for review.

In addition, the Group's place of domicile is Singapore, where the central management and control is located.

3. SEGMENT INFORMATION *(Continued)*

The segment information provided to the executive directors of the Company for the reportable segments for the years ended 31 December 2017 and 2016 is as follows:

	Cyber infrastructure solutions *US$'000*	**Cyber security solutions** *US$'000*	**Total** *US$'000*
Year ended 31 December 2017			
Revenue from external customers and reportable segment revenue	**4,839**	**3,699**	**8,538**
Reportable segment results (Adjusted EBITDA)	**2,202**	**2,168**	**4,370**
Depreciation and amortisation *(Note)*	**84**	**192**	**276**
Year ended 31 December 2016			
Revenue from external customers and reportable segment revenue	3,567	2,068	5,635
Reportable segment results (Adjusted EBITDA)	891	1,985	2,876
Depreciation and amortisation *(Note)*	39	277	316

Reconciliation of reportable segment results

	2017 *US$'000*	2016 *US$'000*
Reportable segment results (Adjusted EBITDA)	**4,370**	2,876
Interest income	**1**	3
Depreciation and amortisation	**(277)**	(316)
Unallocated expenses	**(2,368)**	(1,152)
Profit before income tax	**1,726**	1,411
Income tax expenses	**(546)**	(135)
Profit for the year	**1,180**	1,276

Note: Depreciation not included in the measurement of reportable segment results (Adjusted EBITDA) amounted to approximately US$1,000 *(2016: Nil)* during the year ended 31 December 2017.

3. SEGMENT INFORMATION *(Continued)*

Information about geographical areas

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible assets and deposits paid for acquisition of property, plant and equipment ("Specified Non-current Assets"). The geographical location of revenue is based on the location of end users. The geographical location of the Specified Non-current Assets is based on the physical location of the assets (in the case of property, plant and equipment, the location of operation to which they are located; in the case of intangible assets, the location of operations).

(a) Revenue from external customers

	2017	2016
	US$'000	*US$'000*
Hong Kong	**20**	5
Indonesia	**42**	66
Laos	**30**	20
Malaysia	**3,586**	676
Myanmar	**149**	221
People's Republic of China (the "PRC")	**1,678**	–
Philippines	**2,109**	1,830
Romania	**–**	2
Singapore	**913**	1,280
South Korea	**–**	176
Taiwan	**–**	578
Thailand	**5**	732
United States	**–**	3
Vietnam	**6**	46
	8,538	5,635

(b) Specified Non-current Assets

	2017	2016
	US$'000	*US$'000*
Hong Kong	**3**	–
Malaysia	**202**	144
Singapore	**1,301**	430
	1,506	574

3. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group for the years ended 31 December 2017 and 2016 is as follows:

	2017	2016
	US$'000	*US$'000*
Customer A	**3,550**	*Note*
Customer B	**1,726**	1,815
Customer C	**–**	578
Customer D	**1,678**	–

Note: The customer did not contribute over 10% of the total revenue of the Group for the respective year.

4. REVENUE

	2017	2016
	US$'000	*US$'000*
Cyber infrastructure solutions	**4,673**	3,199
Cyber security solutions	**3,699**	2,068
Maintenance and support service income	**166**	368
	8,538	5,635

5. INCOME TAX EXPENSES

	2017	2016
	US$'000	*US$'000*
Current tax		
Singapore corporate income tax		
Current year	**105**	70
Under provision in prior year	**19**	–
	124	70
PRC enterprise income tax		
Current year	**403**	–
	527	70
Deferred tax	**19**	65
Total income tax expenses for the year	**546**	135

The group entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong.

5. INCOME TAX EXPENSES *(Continued)*

Hong Kong profits tax is calculated at 16.5% *(2016: 16.5%)* of the estimated assessable profits arising in or derived from Hong Kong. The Group's subsidiaries established in the PRC are subject to enterprise income tax of the PRC at 25% *(2016: 25%)* of the estimated assessable profits for the year based on the existing legislation, interpretations and practices in respect thereof.

Singapore corporate income tax ("CIT") is calculated at 17% *(2016: 17%)* of the estimated assessable profits with CIT rebate of 40% *(2016: 50%)*, capped at Singapore Dollars ("SG$") 15,000 *(2016: SG$25,000)* for the year ended 31 December 2017. Singapore incorporated companies can also enjoy 75% tax exemption on the first SG$10,000 of normal chargeable income and a further 50% tax exemption on the next SG$290,000 of normal chargeable income during the years ended 31 December 2017 and 2016.

In addition, the Singapore incorporated companies can enjoy tax deductions/allowances of 400% (comprising a 300% "enhanced allowance", subject to a cap, and a 100% "base allowance") on their capital expenditure incurred on qualifying research and development activities and acquisition of qualifying information technology equipment under the "Productivity and Innovation Credit" scheme launched by the Singapore government for each of the years ended 31 December 2017 and 2016.

Malaysia CIT is calculated at 24% of the estimated assessable profits for the years ended 31 December 2017 and 2016. Global Expert Team Sdn. Bhd ("GET (Malaysia)") enjoys tax rate of 19% and 18% on the first Malaysian Ringgit ("RM") 500,000 and remaining balance of the estimated assessable profits at tax rate of 24% for the years ended 31 December 2017 and 2016, respectively.

GET (Malaysia) has obtained the pioneer status effective from November 2015. A pioneer status company is eligible for exemption from income tax on eligible activities and products for five years and subject to submitting a formal request to the Malaysia Investment Development Authority on or prior to 17 October 2020 and upon the Ministry of International Trade and Industry confirming that GET (Malaysia) has been complying with all the applicable conditions as imposed, the tax relief period shall be extended for a further five years after the initial five-year tax relief period ends.

Reconciliation of income tax expenses

	2017	2016
	US$'000	*US$'000*
Profit before income tax	**1,726**	1,411
Tax calculated at domestic tax rates applicable to profit in the respective tax jurisdictions	**425**	312
Non-deductible expenses	**350**	110
Tax exempt revenue	**(64)**	(26)
Tax rebates	**(11)**	(14)
Tax incentives		
– Pioneer status	**(36)**	(162)
– Research and development expenditures and computer equipment	**(145)**	(104)
Others	**27**	19
Income tax expenses	**546**	135

6. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following information:

	2017	2016
	US$'000	*US$'000*
Profit for the year attributable to the owners of the Company, used in basic and diluted earnings per share calculation	**1,194**	1,276
	Number of shares ('000)	
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	**531,781**	416,619

The calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share during each year has been determined based on the assumption that the Capitalisation Issue (as defined in the Prospectus) to the shareholders other than Strategic Investor (as defined in the Prospectus) had occurred on 1 January 2016 and having adjusted the effect of the shares subscribed by the Strategic Investor on 30 June 2016.

Diluted earnings per share are same as the basic earnings per share as there are no dilutive potential ordinary shares in existence in both years.

7. DIVIDENDS

The directors of the Company did not recommend a payment of final dividend for the year ended 31 December 2017 *(2016: Nil)*.

8. TRADE AND OTHER RECEIVABLES

		2017	2016
	Note	*US$'000*	*US$'000*
Trade receivables from third parties	*8(a)*	**5,388**	1,715
Other receivables			
Prepayments	*(i)*	**373**	643
Deposits and other receivables		**124**	31
		497	674
		5,885	2,389

(i) It included prepaid Listing expenses of nil at 31 December 2017 *(2016: approximately US$559,000)*.

8. TRADE AND OTHER RECEIVABLES *(Continued)*

8(a) The Group normally grants credit terms up to 30 days, from the date of issuance of invoices, to its customers and specific progress billing arrangement with the last instalment paid up to 6 months after delivery may be agreed with individual customers as approved by the management on a case by case basis. The ageing analysis of trade receivables based on invoice date at the end of each reporting period is as follows:

	2017	2016
	US$'000	*US$'000*
Within 30 days	**5,083**	1,227
31 to 60 days	**182**	460
61 to 90 days	**2**	13
Over 90 days	**121**	15
	5,388	1,715

9. TRADE AND OTHER PAYABLES

	2017	2016
	US$'000	*US$'000*
Trade payables to third parties	**539**	265
Other payables		
Accruals and other payables	**346**	48
Receipt in advance	**521**	181
	867	229
	1,406	494

The trade payables are non-interest bearing and the Group is normally granted with a credit term up to 30 days. At the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2017	2016
	US$'000	*US$'000*
Within 30 days	**537**	261
31 to 60 days	**–**	–
61 to 90 days	**1**	1
Over 90 days	**1**	3
	539	265

10. SHARE CAPITAL

	Note	Number of shares	HK$	Equivalent to US$
Ordinary share of HK$0.01 each				
Authorised:				
At 22 June 2016 (date of incorporation), 31 December 2016 and 1 January 2017		38,000,000	380,000	48,718
Increase	*(i)*	5,962,000,000	59,620,000	7,643,590
At 31 December 2017		**6,000,000,000**	**60,000,000**	**7,692,308**
Issued and fully paid:				
At incorporation	*(ii)*	1	0.01	–
Issuance of shares on 28 June 2016	*(iii)*	4,999	49.99	6
Issuance of shares on 30 June 2016	*(iv)*	80,000	800.00	103
Issuance of shares on 30 June 2016	*(v)*	15,000	150.00	19
At 31 December 2016 and 1 January 2017		100,000	1,000	128
Capitalisation Issue	*(vi)*	449,900,000	4,499,000	576,795
Issuance of new shares by way of public offer	*(vii)*	150,000,000	1,500,000	192,308
At 31 December 2017		**600,000,000**	**6,000,000**	**769,231**

Notes:

(i) On 31 May 2017, the authorised share capital of the Company was increased from HK$380,000 to HK$60,000,000 by the creation of additional 5,962,000,000 shares of HK$0.01 each.

(ii) Upon incorporation, one share was issued and allotted to the initial subscriber at par value which was subsequently transferred to Alpha Sense Investments Limited ("Alpha Sense (BVI)") on the same day.

(iii) On 28 June 2016, 4,999 new shares were issued and allotted at par value with a total consideration of HK$49.99. Among the 4,999 new shares, 3,564 shares were issued and allotted to Alpha Sense (BVI), 551 shares were issued and allotted to Cyber Pioneer Investments Limited ("Cyber Pioneer (BVI)") and 884 shares were issued and allotted to Future Way Investments Limited ("Future Way (BVI)").

(iv) On 30 June 2016, 80,000 new shares were issued and allotted at a total consideration of approximately US$5,400,000 under a share swap agreement in exchange of 10,000 shares of Nexion Global Investments Limited. Among the 80,000 new shares, 57,032 shares were issued and allotted to Alpha Sense (BVI), 8,816 shares were issued and allotted to Cyber Pioneer (BVI) and 14,152 shares were issued and allotted to Future Way (BVI). Due to the fact that the share swap is only a step of the Reorganisation, the shares of the Company as issued were recorded at par value.

(v) On 30 June 2016, 15,000 new shares were issued and allotted at HK$624 per share to Vantage Network Global Limited at a total consideration of HK$9,360,000 (equivalent to approximately US$1,200,000).

(vi) On 16 June 2017, 449,900,000 shares of HK$0.01 each were issued and allotted to the existing shareholders, credited as fully paid at par by way of capitalisation of the sum of HK$4,499,000 standing to be credit of the share premium account of the Company (the "Capitalisation Issue").

(vii) On 16 June 2017, the public offer of 150,000,000 shares of the Company of HK$0.01 each at the offer price of HK$0.48 per public offer share were issued and allotted.

11. EVENTS AFTER REPORTING PERIOD

Subsequent to 31 December 2017, the Group has the following subsequent events:

(1) On 20 October 2017, the Group accepted options offered by two independent third party vendors in relation to the acquisition of two properties located in Singapore at a consideration of SG$1,526,840 (equivalent to approximately US$1,142,000) and SG$1,550,000 (equivalent to approximately US$1,159,000), respectively. The transactions were completed on 9 January 2018 and 14 February 2018, respectively. Details are set out in the Company's announcements dated 20 October 2017 and 14 February 2018.

(2) On 3 January 2018, the Company offered to grant a total of 28,800,000 share options at an exercise price of HK$0.6 per share of the Company to certain eligible participant(s) (the "Grantees"), subject to acceptance of the Grantees and pursuant to the share option scheme of the Company. The Grantees are entitled, subject to the terms and conditions of the grant and upon exercise, to subscribe a total of 28,800,000 ordinary shares in the share capital of the Company. Details are set out in the Company's announcement dated 3 January 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

The Group is a well-established information and communications technology ("ICT") solution provider headquartered in Singapore focusing on the provision of cyber infrastructure and cyber security solutions. Established in 2002, the Group started as a system integration service provider providing services to telecommunications service providers. Having gradually diversified its ICT services, the Group is now a regional provider of cyber infrastructure solutions in Southeast Asia. By working with various technology vendors, the Group acquired the experience and expertise to evolve to an ICT solution provider. Drawing upon its research and development ("R&D") capability, the Group successfully developed its technologies to provide cyber security solutions.

The shares of the Company were successfully listed on GEM on 16 June 2017 by way of public offer. 150,000,000 public offer shares were issued at HK$0.48 per share pursuant to the offer of the public offer shares for subscription in Hong Kong (the "Public Offer"). The proceeds received from the Public Offer have strengthened the Group's cash flow and the Group will implement its future plans and business strategies as set out in the section headed "Statement of Business Objectives and Use of Proceeds" in the Prospectus.

In 2017, the Group established new companies in Hong Kong and the PRC to embrace new opportunities from the increase in the demand of information infrastructure system enhancement and upgrade along with The 13th Five-Year National Informatisation Plan ("十三五"國家信息化計劃) as promulgated by the State Council of the PRC in December 2016. The Group also accepted the options to acquire two properties located in Singapore for the development of new Group's headquarter and R&D centre and such transactions were completed on 9 January 2018 and 14 February 2018 respectively. The Group will strengthen itself as an all-rounded ICT solution provider in Asia Pacific region by investing substantially in the R&D team for the development of new products and enhancement of the existing products and services continuously for potential customers.

For the year ended 31 December 2017, the reportable segment results (Adjusted EBITDA) in cyber infrastructure solutions and cyber security solutions were approximately US$2,202,000 *(2016: approximately US$891,000)* and approximately US$2,168,000 *(2016: approximately US$1,985,000)* respectively. The substantial increase in the amount under cyber infrastructure solutions was due to the consulting service in the PRC. Regarding the amount under cyber security solutions, the increase in the amount was mainly due to the fulfillment of the remaining contract sum of the client based in Malaysia.

During the year of 2017, the Group's revenue from external customers based in Malaysia, Philippines and the PRC accounted for 86% of the total Group's revenue. The Group expects the demand of the Group's services and products from the clients based in these countries, especially the PRC, will remain strong in the future. In order to embrace the emerging market in the PRC, the Group leveraged on the technologies, technical skills and professionals, which are considered to be mature in Singapore, to provide consulting service in cyber infrastructure projects. The Group considered that consulting service as a stepping stone and the pilot project for further development in the PRC. The Group will continue to develop and strengthen the team as well as the sales network in the PRC for tendering cyber infrastructure projects in the future.

The Group is deeply rooted in the Southeast Asia cyber infrastructure sector with its strength lying in the provision of cyber infrastructure solutions to internet services providers and with its customers are mainly located in the Southeast Asia. The directors of the Company believe that the emerging markets in the Southeast Asia will provide the Group with vast potential business opportunities. To further increase our market shares and brand visibility, the Group will continue to focus on the market of the Southeast Asia by leveraging on its established strengths and reputations. Subject to the feasibility and market study, the Group will expand its cyber security solutions business into Europe, Middle East and Africa regions.

Looking forward, the Group expects that the cyber infrastructure solutions market and cyber securities solution market will grow continuously. The steady growth of developing economies in the Asia Pacific region will continue to attract considerable multinational enterprises and foreign investments. More organisations are keen to equip themselves with proper cyber infrastructure for international communication and information interaction so as to safeguard their interests. In addition, it urges enterprises or governments to manage the data and information delivered over the internet and to enhance cyber security because of an increase in information leakage, internet content management risks and cyber-crimes.

The Group believes that its listing status along with its strong R&D capabilities in developing technologies and solutions, diversified geographical reach and established customer base would enhance its corporate profile and brand image among its existing and potential customers. The Group will benefit from an increasing demand for cyber infrastructure and cyber security solutions in the market.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of the Company believe major risk factors relevant to the Group have been disclosed in the section headed "Risk Factors" in the Prospectus.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress for the period ended 31 December 2017.

Business objectives up to 31 December 2017 as set out in the Prospectus	Actual business development up to 31 December 2017
To acquire and renovate (including acquiring and installing new furniture, fixtures and fittings, electrical and electronic equipment such as security system, air-conditioning system, office equipment, etc.) a new property with an approximate gross floor area of 3,000 square feet that will serve as the Group's headquarter and R&D centre in Singapore by establishing a testing centre, demonstration laboratory and training centre.	The Group accepted two options offered by two independent third party vendors to purchase two properties located at 18 Howard Road #10-03 and #10-04, Novelty Bizcentre, Singapore 369585 for the consideration of SG$1,526,840 (equivalent to approximately US$1,142,000) and SG$1,550,000 (equivalent to approximately US$1,159,000), respectively on 20 October 2017. The transactions were completed on 9 January 2018 and 14 February 2018 respectively.
To recruit four senior software engineers or software programmers comprising two java/java script/java 2 Platform, Enterprise Edition ("J2EE") engineers and two C/C++ (a programming language) engineers with relevant IT qualifications and relevant experience of at least 5 to 8 years to be based in Singapore to assist in developing new products and upgrading the Group's existing products.	The Group hired four senior software engineers in 2017.
To recruit one senior international sales and marketing manager with the relevant qualifications and with approximately 5 years of relevant experience to be based in Singapore with a view to strengthening the sales force in Europe, Middle East and Africa regions and one senior marketing manager with approximately 5 years of relevant experience to be based in Singapore to assist in the strengthening of the marketing and branding of the Group's products.	The Group hired one senior international sales and marketing manager in 2017.
To acquire hardware and software for setting up as well as design and commission on the Netsis Hybrid Converge Hub, which is the cyber infrastructure planned by the Group.	The Group has acquired the necessary hardware and software and incurred preliminary design fee for the establishment of Netsis Hybrid Converge Hub in Singapore. In addition, the Group also acquired parts of the necessary hardware and software in advance for the establishment of Netsis Security Hub in Hong Kong for cost efficiency.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the issue of new shares of the Company at the time of its listing on GEM on 16 June 2017 through the public offer of 150,000,000 shares of HK$0.01 each in the share capital of the Group at the price of HK$0.48 per share, after deduction of the underwriting commission and actual expenses paid by the Group in connection thereto, were approximately HK$51,995,000, which is equivalent to approximately US$6,666,000. Up to 31 December 2017, the net proceeds from the Listing had been applied as follows:

	Adjusted use of net proceeds		**Actual use of net proceeds during the year ended 31 December 2017**	
	HK$'000	*US$'000*	*HK$'000*	*US$'000*
To acquire and renovate a new property as the Group's headquarter and R&D centre	15,023	1,926	1,357 *(Note)*	174 *(Note)*
To develop new products, upgrade existing products and strengthen R&D team	5,585	716	382	49
To expand sales and marketing team	6,146	788	133	17
To develop Netsis Hybrid Converge Hub in Singapore	6,217	797	156	20
To develop Netsis Security Hub in Hong Kong	14,204	1,821	5,795	743
Working capital over the period	4,820	618	1,888	242
	51,995	6,666	9,711	1,245

Note: The amount represents the deposits and related expenses for the acquisition of two properties, the remaining amounts of SG$1,450,498 (equivalent to approximately US$1,085,000) and SG$1,472,500 (equivalent to approximately US$1,101,000) were paid upon the completion of the relevant acquisition on 9 January 2018 and 14 February 2018 respectively.

As at the date of this announcement, the unutilised proceeds were placed in interest-bearing deposits with authorised financial institutions or licensed banks in Hong Kong.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

FINANCIAL REVIEW

Revenue

The major revenue streams of the Group derived from provision of cyber infrastructure solutions and cyber security solutions. For the year ended 31 December 2017, the Group recorded the total revenue of approximately US$8,538,000 *(2016: approximately US$5,635,000)*, which were generated by cyber infrastructure solutions business of approximately US$4,839,000 *(2016: approximately US$3,567,000)* and cyber security solutions business of approximately US$3,699,000 *(2016: approximately US$2,068,000)*.

Cost of inventories sold

The Group's cost of inventories sold was increased from approximately US$2,122,000 for the year ended 31 December 2016 to approximately US$3,164,000 for the year ended 31 December 2017. The increase was attributable to the costs of the large number of hardware components sold for the delayed project in cyber security solutions during the year.

Staff costs and related expenses

For the year ended 31 December 2017, the Group recorded staff costs and related expenses of approximately US$1,195,000 *(2016: approximately US$928,000)*. The increase was mainly due to the aggregate effect of the increase in salaries and bonus of employees and directors, and the increasing number of employees in the Group.

Other operating expenses

The Group's other operating expenses comprise mainly of sales and marketing expenses and administrative expenses. The amount of other operating expenses increased from approximately US$428,000 for the year ended 31 December 2016 to approximately US$752,000 for the year ended 31 December 2017, which was mainly due to the additional professional fees after the Listing, including compliance adviser fee, legal fee, printing fee, as well as the extra administrative charge as a result from the expansion of the Group's business in the PRC and Hong Kong.

Liquidity and financial resources

At 31 December 2017, the Group had current assets of approximately US$15,455,000 *(2016: approximately US$5,452,000)* including bank balances and cash of approximately US$9,492,000 *(2016: approximately US$3,000,000)* which are principally denominated in Hong Kong dollars ("HK$"), SG$, RM, Renminbi ("RMB") and US$, and the Group did not have any bank borrowings and debts. Total assets were approximately US$16,961,000 *(2016: approximately US$6,026,000)* and total liabilities were approximately US$2,089,000 *(2016: approximately US$647,000)*. The gearing ratio is not available, since the Group had no bank borrowings and no debts at 31 December 2017 and 2016.

Share capital

At 31 December 2017, the authorised share capital of the Company was HK$60,000,000 (equivalent to approximately US$7,692,000) divided into 6,000,000,000 shares of HK$0.01 each and the issued share capital of the Company was approximately HK$6,000,000 (equivalent to approximately US$769,000) divided into 600,000,000 shares of HK$0.01 each.

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policies and had maintained a healthy liquidity position throughout the reporting period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Foreign exchange exposure

Most of the Group's assets, liabilities and transactions are denominated in US$. For the Group's Hong Kong operation, as the exchange rate between HK$ and US$ is pegged, the directors of the Company consider that the Group has no significant foreign exchange exposures.

Certain financial assets and financial liabilities of the Group are denominated in RM, which are different from the functional currency of the respective group entities.

The Group currently has no foreign currency hedging policy and the management monitors the foreign exchange exposure by closely monitoring the movement of foreign currency rates. Nevertheless, the Group will consider hedging significant foreign currency exposure should the need arise.

Contingent liabilities

The Group did not have any material contingent liabilities at 31 December 2017 *(2016: Nil)*.

Commitments

The operating lease commitments of the Group as lessee represented rentals payable by the Group for its office premises. At 31 December 2017, the Group's operating lease commitments as lessee and lessor amounted to approximately US$58,000 *(2016: approximately US$96,000)*.

At 31 December 2017, the Group had commitment, net of deposits paid of approximately US$115,000, of approximately US$2,186,000 *(2016: Nil)* principally related to the acquisition of two properties located in Singapore.

Save for the commitments mentioned above, the Group did not have any material capital commitments at 31 December 2017.

Significant investment, material acquisitions and disposals

During the year ended 31 December 2017, the Group did not have any significant investment, material acquisitions nor disposals of subsidiaries and affiliated companies save for those reorganisation activities done for the purpose of listing of the Company's shares as set out in the paragraph headed "Reorganisation" under the section headed "History, Reorganisation and Corporate Structure" in the Prospectus.

On 20 October 2017, the Group accepted the options offered by two independent third party vendors to purchase two properties located in Singapore as the new headquarter and for the upgrade of R&D facilities at a consideration of SG$1,526,840 (equivalent to approximately US$1,142,000) and SG$1,550,000 (equivalent to approximately US$1,159,000) respectively, each of which has a gross floor area of 1,862 square feet. Details of the acquisitions are set out in the announcement of the Company headed "Discloseable Transactions – Acquisition of Properties in Singapore" on 20 October 2017. The abovementioned transactions were completed on 9 January 2018 and 14 February 2018 respectively.

Final dividends

The Board did not recommend the payment of final dividend for the year ended 31 December 2017 *(2016: Nil)*.

Charges on the Group's assets

There was no charge on the Group's assets as at 31 December 2017 and 2016.

Employees information

At 31 December 2017, the Group had a total of 44 employees *(2016: 27 employees)* (including executive directors). During the year, the total staff costs amount to approximately US$1,195,000 *(2016: approximately US$928,000)*, representing an increase of approximately US$267,000 over the year. The salaries and benefits of the Group's employees were kept at a market level and employees were rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

CORPORATE CHANGES

Change of Company Secretary

With effect from 29 December 2017, (a) Mr. Yeung Kwong Wai has resigned as (i) the company secretary (the "Company Secretary") of the Company, (ii) one of the authorised representatives of the Company (the "Authorised Representative(s)") under Rule 5.24 of the GEM Listing Rules and (iii) authorised representative of the Company to accept on the Company's behalf service of process and notice under Rules 24.05(2) of the GEM Listing Rules and Part 16 of the Companies Ordinance (Chapter 632 of the Laws of Hong Kong) (the "Process Agent"); and (b) Mr. Tsang Tik Man has been appointed as (i) the Company Secretary, (ii) the Authorised Representative, and (iii) the Process Agent.

Change of principal place of business of the Company in Hong Kong

With effect from 29 December 2017, the principal place of business of the Company in Hong Kong has been changed to Room 2622-5, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

CORPORATE GOVERNANCE CODE

The Corporate Governance Code ("the Code") in Appendix 15 to the GEM Listing Rules sets out the principles of good corporate governance, code provisions and recommended best practices. Issuers are expected to comply with the code provisions or devise their own code on corporate governance on the terms they consider appropriate provided that considered reasons are given.

From the date of listing of the Company's shares on 16 June 2017 ("Listing Date") up to 31 December 2017, the Company had complied with the applicable code provisions of the Code with the exception of the deviation from code provision A.2.1 as explained below:

Code provision A.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and not performed by the same individual. Mr. Foo has in-depth knowledge and experience in the IT industry and familiarity with the operations of the Group, that all major decisions are made in consultation with members of the Board and relevant Board committees, and that there are three independent non-executive directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Mr. Foo taking up both roles. Accordingly, the Company has not segregated the roles of its chairman and chief executive officer as suggested by code provision A.2.1 of the Code.

Except for the deviation from code provision A.2.1 of the Code, the Company's corporate governance practices have complied with the Code as set out in Appendix 15 to the GEM Listing Rules from the Listing Date to 31 December 2017.

INTEREST IN COMPETING BUSINESS

Since the Listing Date up to the date of the announcement, none of the controlling shareholders, directors, substantial shareholders of the Company and their respective associates (as defined in GEM Listing Rules) had any interest in any business that directly or indirectly competed or might compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities after the Listing Date and up to the period ended 31 December 2017.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the directors of the Company in respect of the shares ("the Code of Conduct"). The Company also made specific enquiry with all directors of the Company, and the Company was not aware of any non-compliance with the required standard as set out in the Code of Conduct from the Listing Date to 31 December 2017.

INTERESTS OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, our Group has appointed Southwest Securities (HK) Capital Limited as our compliance adviser, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and the GEM Listing Rules including various requirements relating to directors' duties and internal controls. Except for the compliance adviser agreement entered into between the Company and our compliance adviser on 28 September 2016, neither our compliance advisor nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to our Group pursuant to Rule 6A.32 of the GEM Listing Rules.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Scheme") has been adopted by way of shareholder's written resolution passed on 31 May 2017. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Subsequent to 31 December 2017, a total number of 28,800,000 share options under the Scheme were granted to certain eligible participants (the "Grantees"). The Grantees are eligible to subscribe 28,800,000 ordinary shares upon exercise. Further details are disclosed in the announcement headed "Grant of Share Options" dated 3 January 2018.

AUDIT COMMITTEE

The Company has established an audit committee of the Company ("Audit Committee") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the Corporate Governance Code and Corporate Governance Report for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures. As at 31 December 2017, the Audit Committee comprised three independent non-executive directors, namely Ms. Lim Joo Seng, Mr. Park Jee Ho and Mr. Chan Ming Kit. Ms. Lim Joo Seng is the chairlady of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2017 and the annual results of the Group for the year ended 31 December 2017 ("Annual Results"), and is of the opinion that the Annual Results have complied with the applicable accounting standards, and the GEM Listing Rules, and adequate disclosures have been made.

SCOPE OF WORK OF THE JOINT AUDITORS

The figures in respect of this annual results announcement of the Group's results for the year ended 31 December 2017 have been agreed by the Group's joint auditors, Mazars CPA Limited and Mazars LLP ("Mazars"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2017. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on this annual results announcement.

ANNUAL GENERAL MEETING AND BOOK CLOSURE PERIOD

The annual general meeting ("AGM") of the Company is expected to be held on Friday, 18 May 2018 at 10:30 a.m. and notice of the annual general meeting will be published and despatched in the manner as required by the GEM Listing Rules. To ascertain the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 15 May 2018 to 18 May 2018 (both days inclusive) during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited, Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on 14 May 2018.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://nexion.com.hk). The annual report for the year ended 31 December 2017 will be despatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
Nexion Technologies Limited
Foo Moo Teng
Chairman and executive director

Hong Kong, 23 March 2018

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

This announcement, for which the directors of the Company 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 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 Company Announcements" page and the website of the Company at http://nexion.com.hk/ for at least 7 days from the date of its publication.