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## **NEXION TECHNOLOGIES LIMITED**

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

**(Stock Code: 8420)**

### **PROFIT WARNING – ESTIMATED DECREASE IN LOSS ATTRIBUTABLE TO EQUITY HOLDERS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

This announcement is made by Nexion Technologies Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Period**”) and the information currently available, the Group is expected to record significant decrease in loss attributable to equity holders of the Company of approximately US\$1,096,000, as compared to a loss attributable to equity holders of the Company of approximately US\$2,181,000 for the six months ended 30 June 2020 (the “**Prior Period**”).

Based on the information currently available, the Board considered the significant decrease in loss was mainly attributable to the following reasons:

- (i) Significant decrease in loss of segment results (adjusted earnings before interest, taxes, depreciation and amortisation (“**Adjusted EBITDA**”)) of Software-as-a-Service (“**SaaS**”) segment from loss of approximately US\$197,000 for the Prior Period to loss of approximately US\$133,000 for the Period, which was mainly due to the decrease in advertisement fee incurred for the developed SaaS business;
- (ii) The change of segment results (Adjusted EBITDA) of cyber security solutions segment from loss of approximately US\$382,000 for the Prior Period to profit of approximately US\$115,000 for the Period. The segment results has improved through acquisition of entire share capital of Storm Front Pte. Ltd during the Period. In addition, there is no impairment loss on trade receivable recognised in the Period (*The Prior Period: approximately US\$400,000*);

- (iii) Significant decrease in depreciation and amortisation from approximately US\$795,000 for the Prior Period to approximately US\$432,000 for the Period due to impairment loss on non-current assets recognised for the year ended 31 December 2020 and without significant addition on non-current assets during the Period;

The Company is still in the process of finalising the consolidated financial results of the Group for the Period. The information contained in this announcement is only based on the information currently available to the Company and such information has not been reviewed or audited by the independent auditor of the Company or reviewed by the audit committee of the Company.

Shareholders and potential investors are advised to peruse the financial results of the Company for the Period with care when it is released. The quarterly results of the Group for the Period shall prevail over the information contained herein. It is expected that the quarterly results of the Group for the Period will be published on or around 9 August 2021.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 5 August 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Foo Moo Teng (Chairman), Mr. Roy Ho Yew Kee and Mr. Ong Gim Hai; 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](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.*