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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

**NON-FULFILMENT OF PROFIT GUARANTEE 2022
IN RELATION TO THE DISCLOSEABLE TRANSACTION
INVOLVING THE ACQUISITION OF THE
ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY**

Reference is made to the announcements (the “**Announcements**”) of the Company dated 7 April 2021, 20 April 2021, 5 May 2021, 15 October 2021 and 1 August 2022 in relation to, among others, the Acquisition of the Sale Shares by the Company from the Vendors, the extension of the fulfilment of the Profit Guarantee 2021 and the Profit Guarantee 2022, and the fulfilment of the Profit Guarantee 2021. Unless otherwise defined or the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the Announcements.

NON-FULFILMENT OF PROFIT GUARANTEE 2022

As disclosed in the Announcements, the payment of the Tranche 3 Payment by the Company shall be subject to the fulfilment of the Profit Guarantee 2022 by the Target Company (i.e., the net profit of the Target Company for the period from 1 April 2022 to 31 March 2023 shall not be less than SGD500,000 with reference to the audited accounts of the Target Company for the said period), and in the event that the Target Company does not achieve at least 60% of the Profit Guarantee 2022, the payment of the Tranche 3 Payment shall be waived.

The Board hereby announces that, having reviewed the unaudited financial statements of the Target Company for the period from 1 April 2022 to 31 March 2023, the Company and the Vendors have reached consensus that the net profit of the Target Company for the said period is unlikely to fulfil the whole or at least 60% of the Profit Guarantee 2022. In view of this, on 10 May 2023 (after trading hours), the Company and the Vendors reached a mutual agreement confirming that the Company is not liable to make the Tranche 3 Payment and accordingly the Company and the Vendors confirm that the Company has fully discharged all its obligations relating to the payment of the Consideration for the Acquisition of the Sale Shares under the Agreement.

The Board is of the view that the failure of the Target Company to meet the Profit Guarantee 2022 will not impose any material adverse impact on the financial position and business operations of the Group as a whole.

By order of the Board
Nexion Technologies Limited
Ong Gim Hai
Chairman and Executive Director

Hong Kong, 10 May 2023

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Ong Gim Hai; one non-executive Director, namely 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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://nexion.com.hk>.