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## **NEXION TECHNOLOGIES LIMITED**

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

**(Stock Code: 8420)**

### **PROFIT WARNING**

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 year ended 31 December 2024 (the “**Year**”) and the information currently available, the Group is expected to record a loss attributable to equity holders of the Company of no more than HK\$15,000,000, as compared to a loss attributable to equity holders of the Company of approximately HK\$13,743,000 for the year ended 31 December 2023 (the “**Prior Year**”).

Based on the information currently available, the Board considered the expected increase in loss was mainly attributable to the aggregate impact of (1) change of segment results (adjusted earnings before interest, taxes, depreciation and amortisation (“**Adjusted EBITDA**”)) in the software-as-a-service (SaaS) segment from profit of approximately HK\$1,186,000 for the Prior Year to loss of no more than HK\$7,500,000 for the Year, which was mainly due to (i) decrease in service fee charged to respond the heightened market competition; (ii) a decline in sales activities; and (iii) recognition of provision for impairment loss on intangible assets amounted of no more than HK\$4,000,000 (*Prior Year: Nil*); (2) decrease in loss of segment results (Adjusted EBITDA) in the cyber security solutions and IT software development segment from approximately HK\$4,446,000 for the Prior Year to loss of no more than HK\$1,800,000 for the Year, which was mainly due to improvement in revenue from this business segment and the absence of goodwill impairment recognition during the Year (*Prior Year: approximately HK\$2,770,000*); and (3) decrease in recognition of depreciation and amortisation to no more than HK\$900,000 during the Year (*Prior Year: approximately HK\$2,597,000*).

The Company is still in the process of finalising the consolidated financial results of the Group for the Year. 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 Year with care when it is released. The annual results of the Group for the Year shall prevail over the information contained herein. It is expected that the annual results of the Group for the Year will be published on or around 25 March 2025.

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

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

Malaysia, 14 March 2025

*As at the date of this announcement, the Board comprises one executive Director, namely Mr. Ong Gim Hai; one non-executive Director, 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 <http://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>.*