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NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

DISCLOSEABLE TRANSACTION DISPOSAL OF THE TARGET COMPANIES

THE DISPOSAL

The Board is pleased to announce that on 22 December 2025 (after trading hours), the Company as the Vendor, and the Purchaser entered into the Agreement, pursuant to which the Company agreed to sell the entire equity interest in the Target Companies, at the total Consideration of HK\$500,000, which will be satisfied by way of cash.

Upon the Completion, each of the Target Groups will cease to be subsidiaries of the Company and the financial results of each of the Target Groups will no longer be consolidated into the financial statements of the Company.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 22 December 2025 (after trading hours), the Company as the Vendor, and the Purchaser entered into the Agreement, pursuant to which the Company agreed to sell the entire equity interest in the Target Companies, at the total Consideration of HK\$500,000, which will be satisfied by way of cash. A summary of the main terms of the Agreement are set out below.

THE AGREEMENT

Date

22 December 2025 (after trading hours)

Parties

- (1) the Company as the Vendor;
- (2) the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be Disposed of

Pursuant to the terms and conditions of the Agreement, the Company as the Vendor agreed to sell and the Purchaser has agreed to purchase the entire equity interest in the Target Companies.

For details of the Target Companies and the Target Groups, please refer to the section headed "INFORMATION ON THE PARTIES" of this announcement.

Consideration and Payment Manner

Pursuant to the Agreement, the Consideration for the Disposal is HK\$500,000. The Consideration will be payable by the Purchaser at completion which shall take place on 29 December 2025. The Consideration shall be paid by cash.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser with reference to (i) the unaudited combined consolidated financial information of the Target Groups for Year 2023, Year 2024 and the nine months ended 30 September 2025 as set out in the section headed "INFORMATION ON THE PARTIES" of this announcement; and (ii) unfavourable outlook and negative operating performance of the Group's SaaS business as set out in the section headed "REASONS FOR THE DISPOSAL" of this announcement.

Conditions precedent

Completion is conditional upon the satisfaction of, among others, the following conditions:

- (1) the Purchaser having completed its due diligence on the Target Groups;
- (2) there does not exist any material adverse changes to the Target Groups, or events or circumstances that would prevent the transactions contemplated under the Agreement from being continued or proceed;
- (3) compliance with all other applicable laws, rules and regulations including but not limited to the GEM Listing Rules for the transactions contemplated under the Agreement; and
- (4) the Consideration has been fully settled by the Purchaser in cash.

Completion

Subject to the fulfilment of the conditions precedent, the Completion shall take place on 29 December 2025 or such other date as the Company as the Vendor and the Purchaser may agree in writing.

Upon the Completion, each of the Target Groups will cease to be subsidiaries of the Company and the financial results of each of the Target Groups will no longer be consolidated into the financial statements of the Company.

INFORMATION ON THE PARTIES

The Group and the Company as the Vendor

The Group is principally engaged in provision of cyber security solutions services and Information Technology (IT) software development, and SaaS. The Company is an investment holding company.

The Purchaser

The Purchaser is a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

The Target Groups

(1) Big Focus Group

Big Focus is a company incorporated in the British Virgin Islands with limited liability and wholly-owned subsidiary of the Company. It is principally engaged in investment holding; Big Accord is a company incorporated in Hong Kong with limited liability and wholly-owned subsidiary of Big Focus. It is principally engaged in investment holding; and Hunan Lujiang is a company incorporated in the PRC and wholly-owned subsidiary of Big Accord. It is principally engaged in the SaaS business in the PRC.

(2) Rich Joy Group

Rich Joy is a company incorporated in the British Virgin Islands with limited liability and wholly-owned subsidiary of the Company. It is principally engaged in investment holding; Rich Mega is a company incorporated in Hong Kong with limited liability and wholly-owned subsidiary of Rich Joy. It is principally engaged in investment holding; and Naixin is a company incorporated in the PRC and wholly-owned subsidiary of Rich Mega. It is principally engaged in the SaaS business in the PRC.

(3) Financial information

Set out below is a summary of the unaudited combined consolidated financial information of the Target Groups for Year 2023, Year 2024 and the nine months ended 30 September 2025:

	For the year ended 31 December		For the nine months ended 30 September
	2023	2024	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3,182	1,938	–
Net profit (loss) before tax	1,010	(7,329)	(167)
Net profit (loss) after tax	1,010	(7,351)	(167)

As at 30 September 2025, the unaudited combined net assets value of the Target Groups is approximately HK\$528,000.

FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF NET PROCEED

Upon the Completion, each of the Target Groups will cease to be subsidiaries of the Company and the financial results of each of the Target Groups will no longer be consolidated into the financial statements of the Company.

Subject to final audit, the Group is expected to record a loss of approximately HK\$28,000 on the Disposal, which is calculated by reference to the unaudited carrying value of the Target Groups as at 30 September 2025. The Consideration, being the proceeds of the Disposal is expected to use for general working capital of the Group.

REASONS FOR THE DISPOSAL

In prior years, the Group's SaaS operations comprised (i) issuing value-added tax (VAT) invoices on behalf of freelancers to enterprises (the “**Enterprises**”), which was the Group's core SaaS offering, and (ii) offering SaaS to individual customers on a project basis.

To facilitate the issuance of VAT invoices on behalf of freelancers to enterprises, Hunan Lujiang entered into an annual cooperation agreement (the “**Cooperation Agreement**”) with the Management Committee. Pursuant to the cooperation agreement, Hunan Lujiang serves as an agent, responsible for issuing VAT invoices and handling the payment of VAT and related levies on behalf of the freelancers (the “**VAT Invoice Issuance Service**”). In return, the Management Committee provides a tax refund to Hunan Lujiang.

As disclosed in the Annual Report 2024, intense competition in the VAT Invoice Issuance Service led to significant price reductions, adversely impacting revenue and segment results (Adjusted EBITDA) from the SaaS business in Year 2024. Revenue declined from approximately HK\$3,182,000 in Year 2023 to approximately HK\$1,938,000 in Year 2024. In addition, segment results (Adjusted EBITDA) shifted from a profit of approximately HK\$1,186,000 in Year 2023 to a loss of approximately HK\$7,291,000 in Year 2024.

Given the minimal gross profit margins and associated costs, Hunan Lujiang elected not to renew the Cooperation Agreement upon its expiration on 31 December 2024. Consequently, the Target Groups have not generated revenue from the VAT Invoice Issuance Service following its termination. In addition, the minimal gross profit margin and the associated costs incurred in the SaaS business indicate an unfavourable outlook and negative operating performance. Accordingly, the Group has strategically reallocated internal resources away from the SaaS business and refocused on cyber security solutions and IT software business, which constitute the Group's core businesses.

Taking into account, among other factors, (i) prolonged underperformance of the Group's SaaS business, together with its unfavorable outlook and negative operating results, as evidenced by the Target Groups' financial information for Year 2023, Year 2024 and the nine months ended 30 September 2025; and (ii) the alignment of the Disposal with the Group's strategy to reallocate resources to its core businesses in cyber security solutions and IT software business, the Directors are of the view that the terms of the Agreement are on normal commercial terms that are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

The Board also believes that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole, for the following reasons: (i) Reduction of financial burden: the Disposal removes ongoing losses and maintenance costs associated with the Target Groups, improving the Group's financial position and stabilising cash flow; (ii) Focus on core competencies: divesting a struggling business enables the Company to streamline operations and concentrate on areas where it has a competitive advantage, thereby enhancing overall performance; and (iii) Value maximisation: disposing of underperforming assets releases resources and allows the Group to reallocate capital to more profitable businesses, leading to higher returns for the Company and the Shareholders.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 19 of the GEM Listing Rules in respect of the transactions contemplated under the Agreement exceeds 5% but is less than 25%, the Disposal therefore constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreement”	the sale and purchase agreement dated 22 December 2025 entered into between the Vendor and the Purchaser in respect of the Disposal
“Annual Report 2024”	annual report of the Company for for the year ended 31 December 2024, which published on 31 March 2025
“Big Accord”	Big Accord Limited 巨確有限公司, a limited liability company established in Hong Kong and wholly-owned subsidiary of Big Focus as at the date of the Agreement
“Big Focus”	Big Focus Investment Limited, a limited liability company established in British Virgin Islands and wholly-owned subsidiary of the Company as at the date of the Agreement
“Big Focus Group”	Big Focus and its wholly-owned subsidiaries, Big Accord and Hunan Lujiang
“Board”	the board of Directors
“Company”	Nexion Technologies Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Completion”	the completion of the Disposal under the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Consideration”	HK\$500,000, being the total consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of entire equity interest of Big Focus and Rich Joy by the Vendor to the Purchaser
“EBITDA”	adjusted earnings before interest, taxes, depreciation and amortisation
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“Hunan Lujiang”	Hunan Lujiang Technology Co., Ltd* 湖南淶江科技有限公司, a limited liability company established in the PRC and wholly-owned subsidiary of Big Accord as at the date of the Agreement
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Management Committee”	Management Committee of Hunan Liling Economic Development Zone* 湖南醴陵經濟開發區管理委員會
“Naixin”	Naixin (Shanghai) Technology Service Co., Ltd.* 耐信(上海)科技服務有限公司, a limited liability company established in the PRC and wholly-owned subsidiary of Rich Mega as at the date of the Agreement
“PRC”	People’s Republic of China
“Purchaser”	Mr. Muhammad Ridzuan Gurbaksh Bin Abdullah, a Malaysia resident
“Rich Joy”	Rich Joy International Holdings Limited, a limited liability company established in British Virgin Islands and wholly-owned subsidiary of the Company as at the date of the Agreement
“Rich Joy Group”	Rich Joy and its wholly-owned subsidiaries, Rich Mega and Naixin
“Rich Mega”	Rich Mega (Hong Kong) Limited 威發(香港)有限公司, a limited liability company established in Hong Kong and wholly-owned subsidiary of Rich Joy as at the date of the Agreement
“SaaS”	Software as a service
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Big Focus and Rich Joy
“Target Groups”	Big Focus Group and Rich Joy Group
“Vendor”	the Company

“Year 2024”	Financial year ended 31 December 2024
“Year 2023”	Financial year ended 31 December 2023
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

* *English for identification purpose only*

By order of the Board
Nexion Technologies Limited
Kenneth Vun
Chairman and Executive Director

Malaysia, 22 December 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Kenneth Vun and Mr. Ong Gim Hai; and three independent non-executive Directors, namely Ms. Lim Joo Seng, Mr. Lynch Stephen Joseph Chor 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>.