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Neo-Neon Holdings Limited

同方友友控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01868)

**UPDATE ON DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE
SECOND SUPPLEMENTAL AGREEMENT**

Reference is made to the announcement of the Company dated 6 April 2018 (the “**Announcement**”) in relation to the Loan Transactions entered into between Mr. Wang Lifeng as the Borrower and Tongfang Finance as the Lender, and the annual report of the Company dated 28 April 2020 (the “**Annual Report**”). Capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement unless otherwise defined.

REPAYMENT OF THE LOAN

As disclosed in the Annual Report, the maturity date of the Loan had been extended to 31 December 2019 and the Borrower defaulted on repayment of the Loan. The Board is pleased to announce that the Borrower has made full repayment of the Loan including accrued interests and penalty interests for late payment, in the aggregate amount of approximately HK\$99.4 million, as of the date of this announcement. Accordingly, the Loan Securities had been discharged following the full repayment of the Loan.

SECOND SUPPLEMENTAL AGREEMENT

As disclosed in the Annual Report, the maturity date of the Bonds had been extended to 31 March 2020 and the Borrower defaulted on repayment of the Bonds. The Company currently has no intention to further extend the term of the Bonds which remain in default. As of the date of this announcement, the total outstanding amount of the Bonds due to the Lender including accrued interests is approximately HK\$203.8 million (the “**Outstanding Amount**”).

The Company is actively addressing the risks involved in the recovery of the Outstanding Amount and has sought additional securities from the Borrower to enhance the coverage of the Bond Securities. The Board announces that the Borrower and the Lender entered into a second supplemental agreement to amend certain terms of the Bonds on 9 July 2020 (the “**Second Supplemental Agreement**”), pursuant to which the Borrower has agreed to provide additional securities including two properties in Hong Kong and shares in two PRC companies to secure the full repayment of the Bonds (together with the existing Bond Securities, the “**New Bond Securities**”). All other material terms of the Bonds remain unchanged.

Taking into account that the Lender will have better protection with the New Bond Securities, the Directors considered that the terms of the Second Supplemental Agreement are in the best interests of the Company and its shareholders as a whole.

The Company is continuing to make its best effort in obtaining repayment from the Borrower of the Outstanding Amount, and reserves the right to enforce the New Bond Securities and take legal actions against the Borrower to recover the Outstanding Amount. The Company will make further announcement and comply with the applicable Listing Rules if and when appropriate.

LISTING RULES IMPLICATIONS

This announcement is made by the Company under Rule 14.36 of the Listing Rules, as the entering into of the Second Supplemental Agreement constitutes a material variation to the terms of a transaction previously announced by the Company pursuant to Chapter 14 of the Listing Rules.

By order of the Board
Neo-Neon Holdings Limited
Gao Zhi
Chairman

Hong Kong, 9 July 2020

As at the date of this announcement, the executive Directors of the Company are Mr. GAO Zhi and Mr. Daniel P.W.LI; non-executive Directors are Mr. SEAH Han Leong and Mr. ZHOU Hai Ying; the independent non-executive Directors are Mr. FAN, Ren Da Anthony, Mr. LIU Tian Min and Ms. LI Ming Qi.