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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: 1868)**

## **DISCLOSEABLE TRANSACTION REDEMPTION OF INTEREST IN A FUND**

### **THE REDEMPTION**

The Board announces that, on 1 December 2020, Tongfang Finance, a wholly-owned subsidiary of the Company, redeemed part of its investment in the Fund pursuant to the Subscription Agreement. The principal amount of such investment being redeemed was US\$4,000,000 and the amount received for the Redemption was approximately US\$12,012,402.03. The Company recognized an estimated gain of US\$8,012,402.03 from the Redemption.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Redemption exceed 5% but all those applicable percentage ratios are less than 25%, the Redemption constitutes a discloseable transaction of the Company under the Listing Rules.

### **THE REDEMPTION**

The Board announces that, on 1 December 2020, Tongfang Finance, a wholly-owned subsidiary of the Company, redeemed part of its investment in the Fund. The principal amount of such investment being redeemed was US\$4,000,000 and the amount received for the Redemption was approximately US\$12,012,402.03. The Company recognized an estimated gain of US\$8,012,402.03 from the Redemption.

The principal terms of the Redemption are set out below:

**Date**

1 December 2020

**Parties**

- (i) Tongfang Finance, a wholly-owned subsidiary of the Company; and
- (ii) The Fund.

**Redemption of Investment**

Investment held by Tongfang Finance in the Fund in the principal amount of US\$4,000,000.

**Consideration**

The consideration for the Redemption would be approximately US\$12,012,402.03, to be determined based on the net asset value of the Investment as at 30 November 2020 as announced by the Administrator on or around 15 December 2020.

**Payment of Consideration**

The consideration for the Redemption will be paid to the designated bank account of Tongfang Finance on or around 18 December 2020.

**FINANCIAL EFFECT OF THE REDEMPTION**

Based on the net asset value of the Investment as at 30 November 2020, it is estimated that the Group will record a gross gain of approximately US\$8,012,402.03 on the Redemption, representing the difference between (i) the subscription amount of the Investment, being US\$4,000,000, and (ii) the aggregate Redemption price of US\$12,012,402.03. The net proceeds from the Redemption (after deduction of related fees) are estimated to be approximately US\$11,671,293.77. The net gain from the Redemption is estimated to be approximately US\$7,671,293.77, of which a gain of US\$884,762.54 was recognized on or before 31 December 2019, a gain of US\$2,098,059.82 was recognized for the six months ended 30 June 2020 and a gain of approximately US\$4,688,471.41 will be recognized for the six months ending 31 December 2020.

**REASONS AND BENEFITS OF THE REDEMPTION**

On 2 May 2018, Tongfang Finance subscribed 2,456.194 Class B shares in the Fund for a consideration of US\$4,000,000.00 pursuant to the terms of Subscription Agreement. The investment objective was to achieve investment return and capital appreciation. The Directors consider that the Redemption represents a good opportunity to realise a substantial part of the investment in the Fund of the Group in light of the recent market fluctuations. The net proceeds from the Redemption are intended to be used for future portfolio investments by Tongfang Finance, which is expected to better achieve the investment objective of income and capital appreciation.

As disclosed in the section headed “Financial Effect of the Redemption” above, the Group will record a net gain of approximately US\$7,671,293.77 on the Redemption after fees which will have a positive impact on the financial performance of the Group for the year ending 31 December 2020.

Taking into account of the above factors, the Directors consider that the terms of the Redemption were fair and reasonable, on normal commercial terms, and the Redemption was in the interests of the Group and the Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the Taiwan depositary receipts of which are listed on the Taiwan Stock Exchange. The Group is principally engaged in the businesses of manufacture and trading of lighting products, provision of lighting solution, provision of asset management services, provision of investment advisory services and provision of securities trading services.

Tongfang Finance is a company incorporated in Hong Kong with limited liability and is an indirectly wholly-owned subsidiary of the Company as at the date of this announcement. Tongfang Finance is principally engaged in money lending business.

Tongfang Securities is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company. It is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and is principally engaged in the provision of asset management services, investment advisory services and securities trading.

## **INFORMATION ABOUT THE FUND AND MANAGERS**

Mount Everest Fund is a fund incorporated on 5 September 2014 in the Cayman Islands with limited liability. The principal investment objective of the Fund is to achieve absolute return and capital appreciation by primarily investing in Hong Kong and the United States markets. The portfolio of the Fund mainly consists of listed equities and related securities and derivatives.

The Fund’s investment activities are managed by Pinnacle (Cayman) Capital Management and Tongfang Securities, the administration of which is delegated to the Administrator.

Pinnacle (Cayman) Capital Management is a company incorporated in the Cayman Islands with limited liability and has been duly registered as a registered person under section 5(4) and schedule 4 of the SIBL, effective on 1 January 2020. Under the SIBL, a registered person acting as an investment manager is not required to be licensed if it carries on such business exclusively (whether directly or indirectly) for sophisticated persons or high net worth persons.

The Administrator is a company incorporated in Bermuda with limited liability and is engaged in the business of providing administrative services to collective investment schemes for which it is licensed under the laws of Bermuda.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the investment managers (except Tongfang Securities), the Administrator, the Fund and its respective ultimate beneficial owners are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Redemption exceed 5% but all those applicable percentage ratios are less than 25%, the Redemption constitutes a discloseable transaction of the Company under the Listing Rules.

## **DEFINITIONS**

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

“Administrator”	Apex Fund Services Ltd, an Independent Third Party
“Board”	the board of directors of the Company
“Company”	Neo-Neon Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1868)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Fund”	Mount Everest Fund, a fund incorporated on 5 September 2014 in the Cayman Islands with limited liability, managed by Pinnacle (Cayman) Capital Management and Tongfang Securities, and under the administration of the Administrator
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party(ies)”	third party(ies) which is/are independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Investment”	2,456.194 Class B shares in the Fund

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Redemption”	the redemption of the Investment in the principal amount of US\$4,000,000
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“SIBL”	the Securities Investment Business Law (2020 Revision) of the Cayman Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 25 April 2018 entered into between Tongfang Finance and the Fund in relation to the Investment
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Tongfang Finance”	Tongfang Finance Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Tongfang Securities”	Tongfang Securities Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“United States”	The United States of America
“US\$”	United States dollars, the lawful currency of the United States

For and on behalf of the Board  
**Neo-Neon Holdings Limited**  
**Gao Zhi**  
*Chairman*

1 December 2020

*As at the date of this announcement, the executive Directors of the Company are Mr. GAO Zhi and LIU Zhigang; the 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.*