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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 THIRD SUPPLEMENTAL OVERSEAS ASSET MANAGEMENT PLAN CONTRACT**

Reference is made to the announcements dated 29 October 2014, 16 October 2017, 3 January 2020 and 8 January 2020 (together, the “**Announcements**”) in relation to the Contract, the Supplemental Contract and the Second Supplemental Contract entered into by and among Heshan Lide (as principal), China AMC (as asset manager) and CCBC (as asset custodian), pursuant to which Heshan Lide agreed to participate in the Plan operated by China AMC by depositing the Investment Amount of RMB105.5 million (equivalent to approximately HK\$126.3 million) in a designated account maintained with CCBC.

The Board announces that, after arm’s length negotiation, on 30 December 2020, Heshan Lide entered into the Third Supplemental Contract with China AMC and CCBC to amend certain terms of the Plan including extension of the term by another two years upon its expiration on 31 December 2020, which is automatically renewable every two years thereafter subject to certain conditions.

As some of the applicable percentage ratios in respect of the Third Supplemental Contract are more than 5% but less than 25%, the Third Supplemental Contract and the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

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The Board announces that, after arm's length negotiation, on 30 December 2020, Heshan Lide entered into the Third Supplemental Contract with China AMC and CCBC to amend certain terms of the Plan including extension of the term of the Plan by another two years upon its expiration on 31 December 2020, which is automatically renewable every two years thereafter subject to certain conditions.

### THE THIRD SUPPLEMENTAL CONTRACT

Date: 30 December 2020

Parties:

- (1) Heshan Lide, a wholly-owned subsidiary of the Company (as principal)
- (2) China AMC (as asset manager)
- (3) CCBC (as asset custodian)

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

Investment Amount: RMB105.5 million (equivalent to approximately HK\$126.3 million)

Investment scope of the Plan: Pursuant to the Plan, the Investment Amount is proposed to be investing principally in equity interest and equity-linked structured products of Sinopec Marketing and bonds (including convertible bonds), funds, money market instruments, derivatives commodities and other financial instruments as permitted by the applicable laws and regulations and the requirements of CSRC (collectively, the "**Entrusted Assets**").

Investment strategy of the Plan: It is proposed that the Plan shall principally invest in equity interest and equity-linked structured products of Sinopec Marketing and realise the Investment through in-depth and detailed fundamental analysis, combined with the prevailing market conditions and valuation analysis.

- Investment restrictions of the Plan
- (a) The investment portfolio of the Plan shall not violate the investment scope of the Plan.
  - (b) At least 80% of the Investment Amount shall be invested in equity interest and equity-linked structured products of Sinopec Marketing. With the approval of the principal, such percentage may fall below 80% to avoid certain risks for no longer than six months during the term of the Plan. The realization of the Entrusted Assets is not subject to the 80% limitation. “certain risks” refers to risks of adverse impact on the Plan due to factors such as severe market fluctuations and significant changes in the risk-return characteristics of specific asset classes.
  - (c) The Plan is not allowed to make leveraged investments.
  - (d) Investment in overseas securities shall comply with the relevant laws and regulations of local regulators and exchanges.

If the investment of Plan does not comply with the investment ratio stipulated by relevant laws and regulations or the contractual investment ratio above due to factors other than the asset manager, such as fluctuations in the securities and futures market, mergers of securities issuers, changes in the size of the Plan, the asset manager shall adjust the investment of the Plan to comply with the relevant requirements within fifteen trading days after the assets on which the liquidity is restricted are available for sale, transferable or resume trading.

Fees: Heshan Lide shall pay, among other fees and charges, an asset management fee of the Investment Amount to China AMC and an asset custodian fee of the Investment Amount to CCBC.

Designated account: The Investment Amount will be deposited in a designated account maintained with CCBC for investing in the abovementioned financial assets as set out in “Investment scope of the Plan” as the Entrusted Assets.

Withdrawal of the Entrusted Assets: Heshan Lide (as principal) shall not increase or withdraw any Entrusted Assets during the term of the Plan.

- Term:** The current term of the Plan will end on 31 December 2020. Subject to the termination events as disclosed below, provided that if upon the expiry of the current term, the shares of Sinopec Marketing under the equity-linked structured products in which the Plan invested have not been listed or are still under lock-up restriction or if there is any other circumstance leading to the Entrusted Assets unrealisable, the term shall be automatically extended for another two years, which is automatically renewable every two years thereafter.
- Others:** China AMC (as asset manager) shall be entitled to the rights arising from the investment of the Entrusted Assets pursuant to the relevant regulations and the Contract, and may authorize CCBC (as asset custodian) to exercise certain of such rights on its behalf.
- Termination:** The Contracts shall be terminated when, among other things, any of the following events occurs:
- (a) mutually agreed among the parties;
  - (b) China AMC is disqualified to engage in the designated client asset management business in accordance with the applicable laws;
  - (c) China AMC or CCBC is dissolved or declared bankrupt in accordance with the applicable laws;
  - (d) CCBC is disqualified to engage in the fund custodian business in accordance with the applicable laws;
  - (e) if the main investment subject matter under the Contracts is terminated, China AMC shall have the right to unilaterally terminate the Contracts by giving five days advanced notice to the other parties; or
  - (f) if all the Entrusted Assets have been realised, China AMC may terminate the Contracts unilaterally by giving five business days advanced notice to the other parties.

## **INFORMATION ON CHINA AMC**

China AMC is a nation-wide fund management company approved by CSRC. As of 30 September 2020, the total size of assets managed by China AMC amounted RMB1,294.2 billion and it managed a total number of 204 public funds. As at 30 September 2020, total assets of China AMC amounted to RMB12.6 billion, and net assets were RMB9.6 billion and for the nine months ended 30 September 2020, operation income was approximately RMB3.8 billion and net profit was approximately RMB1.1 billion.

## **INFORMATION ON CCBC**

CCBC is a commercial bank in China providing a comprehensive range of commercial banking products and services. CCBC's business consists of three principal business segments: corporate banking, personal banking, and treasury operations.

## **INFORMATION ON THE GROUP AND HESHAN LIDE**

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. Heshan Lide is a wholly-owned subsidiary of the Group.

## **REASON FOR AND BENEFIT OF ENTERING INTO THE THIRD SUPPLEMENTAL CONTRACT**

Established in 1985, Sinopec Marketing is principally engaged in the purchasing, allotment, distribution, settlement and optimization of refined oil products (gasoline, diesel and jet fuel) resources produced by Sinopec Corp. and its affiliates.

The Company has been developing certain business relationship with Sinopec Marketing and its affiliates in relation to energy saving lighting fittings at gas stations. The Investment gives the Company an opportunity to strengthen the cooperation with Sinopec Marketing.

In addition, the Investment is conducive to improve the Company's capital usage efficiency and generate investment return from the Company's temporarily idle funds which will not affect the working capital of the Company or the operation of the Company's principal businesses. As the Entrusted Assets under the Plan are still unrealisable as at the date of this announcement, the Group entered into the Third Supplemental Contract to extend the term of the Plan.

As such, the Directors (including the independent non-executive Directors) are of view that the Third Supplemental Contract and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and as such, are in the best interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As some of the applicable percentage ratios in respect of the Third Supplemental Contract are more than 5% but less than 25%, the Third Supplemental Contract and the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“CCBC”	China Construction Bank Corporation, a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed on the Stock Exchange (Stock Code: 939) and the A shares of which are listed on Shanghai Stock Exchange (Stock Code: 601939), being the asset custodian of the Plan
“China AMC”	China Asset Management Co., Ltd. (華夏基金管理有限公司), being the asset manager of the Plan
“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)
“Contract”	the overseas asset management plan contract dated 29 October 2014 and entered into among Heshan Lide (as principal), China AMC (as asset manager) and CCBC (as asset custodian), as amended by the Supplemental Contract, the Second Supplemental Contract and the Third Supplemental Contract
“Contracts”	the Contract, the Supplemental Contract, the Second Supplemental Contract and the Third Supplemental Contract
“connected person”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Heshan Lide”	Guangdong Tongfang Technology Park Co. Ltd. * (廣東同方科技園有限公司), previously known as Heshan Tongfang Lighting Technology Co., Ltd. (鶴山同方照明科技有限公司) and Heshan Lide Electronic Enterprise Limited (鶴山麗得電子實業有限公司), a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“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 Amount”	RMB105,500,000, being the investment amount made by the Group
“LED”	light-emitting diode
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Plan”	an overseas asset management plan operated by China AMC as contemplated under the Contracts
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Investment”	the participation in the Plan by the Group by depositing the Investment Amount of RMB105.5 million (equivalent to approximately HK\$126.3 million) in a designated account maintained with CCBC
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Contract”	the second supplemental contract to the Contract entered into among Heshan Lide (as principal), China AMC (as asset manager) and CCBC (as asset custodian) dated 31 December 2019
“Sinopec Corp.”	China Petroleum & Chemical Corporation (中國石油化工股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Sinopec Marketing”	Sinopec Marketing Co., Ltd. (中國石化銷售股份有限公司), company established in the PRC with limited liability which is a subsidiary of Sinopec Corp.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules

“Supplemental Contract”	the supplemental contract to the Contract entered into among Heshan Lide (as principal), China AMC (as asset manager) and CCBC (as asset custodian) dated 16 October 2017
“Third Supplemental Contract”	the third supplemental contract to the Contract entered into among Heshan Lide (as principal), China AMC (as asset manager) and CCBC (as asset custodian) dated 30 December 2020
“%”	percentage

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

Hong Kong, 30 December 2020

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