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Neo-Neon Holdings Limited
同方友友控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 1868)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF INTEREST IN A FUND

THE SUBSCRIPTION

The Board is pleased to announce that on 16 June 2017, pursuant to the Discretionary Client Agreement, the Investment Manager has agreed to subscribe for 374,448.04 HKD Class R1A Shares in the Fund for and on behalf of Tongfang Securities at the consideration of HK$400,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription are more than 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 16 June 2017, pursuant to the Discretionary Client Agreement, the Investment Manager has agreed to subscribe for 374,448.04 HKD Class R1A Shares in the Fund for and on behalf of Tongfang Securities at the consideration of HK$400,000,000.

THE DISCRETIONARY CLIENT AGREEMENT

The principal terms of the Discretionary Client Agreement are as follows:

Date: 5 June 2017

Parties: (1) The Investment Manager; and

(2) Tongfang Securities.

Discretionary management services:

Pursuant to the terms of the Discretionary Client Agreement, Tongfang Securities has agreed to appoint the Investment Manager, and the Investment Manager has agreed to act as the discretionary investment manager to provide discretionary management services in respect of the portfolio of Tongfang Securities, being an amount of HK$400,000,000 placed by Tongfang Securities in the client account held by the Investment Manager for and on behalf of Tongfang Securities.

The Investment Manager shall have full discretionary authority to manage the assets held in the aforementioned client account without prior consultation with or approval of Tongfang Securities to effect transactions at the Investment Manager's discretion taking into account the investment objective of income and capital appreciation.

THE FUND

The principal terms of the Fund under the Private Placement Memorandum are as follows:

Name of the Fund: Haitong Freedom Multi-Tranche Bond Fund

Class of Participating Shares: There are eight classes of non-voting shares, being HKD Class P6M Shares, HKD Class P1A Shares, HKD Class P2A Shares, HKD Class R1A Shares, USD Class P6M Shares, USD Class P1A Shares, USD Class P2A Shares and USD Class R1A Shares.

Investment objectives: The investment objective of the Fund is to achieve capital appreciation and interest income in the medium to long term and:

(a) to provide holders of Participating Shares in the Class P Group a target return equal to the relevant Class P Return with principal protection; and

(b) to provide holders of Participating Shares in the Class R Group with a return linked to the value of the assets of the Fund, after payment to holders of Participating Shares in the Class P Group of the amount subscribed for such Participating Shares and the relevant Class P Return and after payment of expenses, including any performance fee.

Investment strategies:	The Fund will invest all or substantially all of its assets, to the extent not retained in cash to meet operating expenses, in the shares of the Master Fund. The Master Fund will primarily invest in fixed income securities such as government, corporate or convertible bonds, private placement debt, notes linked to fixed income instruments or preferred shares, other bond funds, money market funds or cash. The Master Fund may invest in debt securities that are rated below investment grade or which are unrated by any relevant agency. The Master Fund may invest in financial derivative instruments for hedging purposes only. The types of financial derivative instruments used for hedging currency and interest rate risks include swaps, futures, deliverable and non-deliverable forwards. The Master Fund may also hold cash or cash equivalents pending reinvestment.
Lock-up period:	Certain Classes of Participating Shares are subject to a lock-up period. The Class R1A Shares are subject to a lock-up period of 12 months, commencing on the issue of such Participating Share or such shorter period as the directors of the Fund may determine.
Restrictions on transfer:	Participating Shares will only be issued to, and may only be transferred to, persons who are Eligible Investors and may not be transferred without the prior written consent of the directors of the Fund.
Distribution policy:	It is expected that the Fund will pay an annual dividend at such time and of such amount as the Investment Manager recommends. However, the directors of the Fund are not obliged to declare a dividend at any time and may choose not to do so.
Management of the Fund:	The directors of the Fund are responsible for the overall management and administration of the Fund in accordance with the Articles. However, the directors of the Fund have delegated responsibility for day-to-day administrative functions to the Administrator and responsibility for making day-to-day investment decisions to the Investment Manager.
Management fee:	The Master Fund will pay the Investment Manager a Management Fee of one-twelfth (1/12) of 0.75% per month of the net asset value of the Master Fund (before deduction of that month's Management Fee and before making deduction of any accrued performance fee) as at the last Valuation Day in each month. No Management Fee will be payable by the Fund.

Performance fee: The Investment Manager will be entitled to a performance fee at the end of each Performance Period, for each Class of Group R Shares, on the Participating Shares of such Class outstanding as at the last Valuation Day of that Performance Period if the annualized percentage increase as at such last Valuation Day exceeds the pre-set annual hurdle rate of 8%. The aforementioned performance fee in respect of each Group R Share will be equal to 20% of the outperformance per share, being the appreciation in the net asset value per share of the relevant Class during the Performance Period above the High Water Mark plus the hurdle rate.

No performance fee will be payable in respect of the Group P Shares.

Administration fee: The Administrator will receive a fee from the Master Fund for providing administration services of up to 0.1% per annum of the net asset value (before deduction of administration fee, management fee and performance fee) of the Master Fund, calculated as at each Valuation Day and payable monthly in arrears, subject to a minimum monthly fee of US$3,000. The Administrator will also receive a fee from the Fund for providing administration services of up to US$4,500 per month.

The Administrator will also be entitled to various transaction and processing fees and to be reimbursed for all out of pocket expenses properly incurred by it in the performance of its duties.

Redemption: Participating Shares may be redeemed at the option of their holders on any Redemption Day falling after the expiry of the applicable lock-up period. Participating Shares of the Class R Group may only be redeemed if net asset value of the Class P Group will not exceed 400% of the net asset value of the Class R Group following such redemption, unless the directors of the Fund determine otherwise.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription provides the Group with a good opportunity to develop a more diversified investment portfolio. In addition, the Subscription would also broaden the revenue streams for the Group.

The consideration payable for the Subscription was determined after arm's length negotiations between Tongfang Securities, the Fund and the Investment Manager with reference to, among other things, commercial negotiation between the parties and the valuation of the net asset value per share of the HKD Class R1A Shares of HK$1,068.239 as at 16 June 2017.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Subscription is fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

Information on 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 research & development, sales and manufacturing of LED decorative lighting, LED general lighting, LED professional lighting and engineering projects.

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 on the Investment Manager

The Investment Manager is a company incorporated in Hong Kong with limited liability and is licensed to carry out Type 4 (advising on securities), Type 5 (advising on futures contract) and Type 9 (asset management) regulated activities under the SFO.

Information on the Fund and the Master Fund

The Fund is an exempted company incorporated in the Cayman Islands with limited liability. The Fund is organized as a feeder fund and all of the assets of the Fund, to the extent not retained in cash to meet operating expenses, will be invested in the shares of the Master Fund.

The Master Fund is an exempted company incorporated in the Cayman Islands with limited liability. Further feeder funds may be created to invest in the Master Fund.

Information on the Administrator

The Administrator is a company incorporated in Hong Kong with limited liability. The Administrator is a fund administration firm providing a range of administration services to alternative investment funds, including accounting valuation, investor services, transfer agency and corporate secretarial services to a wide range of alternative investment funds and structured products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Investment Manager, the Fund, the Master Fund and the Administrator and its respective ultimate beneficial owner are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Subscription are more than 5% but are less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

Due to an inadvertent oversight, the Company had not published an announcement in relation to the Subscription pursuant to Chapter 14 of the Listing Rules in a timely manner. The Company will strengthen the relevant internal control procedures to avoid occurrence of similar incidents in the future.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following meanings:

"Articles"	the memorandum and articles of association of the Fund
"Administrator"	Millennium Fund Services (Asia) Limited
"Board"	the board of directors of the Company
"Class"	any class of Participating Shares designated by the directors of the Fund pursuant to the Articles
"Class P Group"	the USD Class P6M Shares, the HKD Class P6M Shares, the USD Class P1A Shares, the HKD Class P1A Shares, the USD Class P2A Shares and the HKD Class P2A Shares
"Class P Return"	the return for the Participating Shares in the Class P Group as calculated with reference to the relevant rate of return and on the terms of the Private Placement Memorandum
"Class P1A Share"	a USD Class P1A Share and/or a HKD Class P1A Share, as the context requires
"Class P2A Share"	a USD Class P2A Share and/or a HKD Class P2A Share, as the context requires
"Class P6M Share"	a USD Class P6M Share and/or a HKD Class P6M Share, as the context requires
"Class R1A Share"	a USD Class R1A Share and/or a HKD Class R1A Share, as the context requires
"Class R Group"	the USD Class R1A Shares and the HKD Class R1A Shares

"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(s)"	has the meaning ascribed to it under the Listing Rules
"Dealing Currency"	in respect of any Class, the currency determined by the directors of the Fund on the establishment of the Class as the currency in which the subscription price, redemption price and net asset value per share of such Class will be calculated
"Director(s)"	the director(s) of the Company
"Discretionary Client Agreement"	the discretionary client agreement entered into between the Investment Manager and Tongfang Securities on 5 June 2017, pursuant to which Tongfang Securities has agreed to appoint the Investment Manager, and the Investment Manager has agreed to act as the discretionary investment manager to provide discretionary management services in respect of the portfolio of Tongfang Securities
"Eligible Investors"	a person to whom the Fund can lawfully make an invitation to subscribe for Participating Shares without compliance with any registration or other legal requirements, who is able to acquire and hold Participating Shares without breaching the law or requirements of any country, regulatory body or government authority and who satisfies such additional eligibility requirements as may be determined by the directors of the Fund from time to time
"Fund"	Haitong Freedom Multi-Tranche Bond Fund, an exempted company incorporated in the Cayman Islands with limited liability
"Group"	the Company and its subsidiaries
"Group P Share"	a USD Class P6M Share, a HKD Class P6M Share, a USD Class P1A Share, a HKD Class P1A Share, a USD Class P2A Share and/or a HKD Class P2A Share, as the context requires
"Group R Share"	a USD Class R1A Share and/or a HKD Class R1A Share, as the context requires
"HKD Class P1A Share"	a Participating Share designated as a HKD Class P1A Share, the Dealing Currency of which is Hong Kong Dollar

"HKD Class P2A Share"	a Participating Share designated as a HKD Class P2A Share, the Dealing Currency of which is Hong Kong Dollar
"HKD Class R1A Share"	a Participating Share designated as a HKD Class R1A Share, the Dealing Currency of which is Hong Kong Dollar
"HKD Class P6M Share"	a Participating Share designated as a HKD Class P6M Share, the Dealing Currency of which is Hong Kong Dollar
"High Water Mark"	in respect of a Performance Period, the greater of: (a) the highest net asset value per share of the relevant Class as at the last Valuation Day of all the previous Performance Periods (net of all fees and expenses including any provision for any performance fee previously accrued) in respect of which the performance fees have been charged; and (b) the subscription price at which Participating Shares of the relevant Class were issued during the initial offer period, subject to adjustment for any dividend distributions as appropriate
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons
"Investment Manager"	Hai Tong Asset Management (HK) Limited, a company incorporated in Hong Kong with limited liability
"Investment Management Agreement"	an investment management agreement between the Fund, the Master Fund and the Investment Manager in relation to the appointment of the Investment Manager to provide asset management services in respect of the Fund and the Master Fund
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Management Fee"	the management fee payable by the Master Fund to the Investment Manager pursuant to the Investment Management Agreement
"Master Fund"	Haitong Freedom Multi-Tranche Master Bond Fund, an exempted company incorporated in the Cayman Islands with limited liability
"Participating Share(s)"	a participating, redeemable, non-voting share of par value US$0.01 in the capital of the Fund being offered for subscription under the terms of the Private Placement Memorandum

"Performance Period"	a period commencing on 1 January each year and ending on the last Valuation Day of that year except for the first Performance Period shall be the period commencing on the Business Day immediately following the close of the initial offer period and ending on the last Valuation Day in 2016 inclusive
"Private Placement Memorandum"	the private placement memorandum issued by the Fund in relation to the offer of Participating Shares, as amended or supplemented from time to time
"Redemption Day"	the first Business Day of each month and such other day or days as the directors of the Fund may determine, either generally or in any particular case
"SFC"	the Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of 374,448.04 HKD Class R1A Shares by the Investment Manager for and on behalf of Tongfang Securities pursuant to the Discretionary Client Agreement
"Subscription Day"	the first Business Day of each month and/or such other day or days as the directors of the Fund may determine, either generally or in any particular case
"Tongfang Securities"	Tongfang Securities Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
"USD" or "US$"	United States dollars, the lawful currency of the United States of America
"USD Class P1A Share"	a Participating Share designated as a USD Class P1A Share, the Dealing Currency of which is US Dollar
"USD Class P2A Share"	a Participating Share designated as a USD Class P2A Share, the Dealing Currency of which is US Dollar
"USD Class R1A Share"	a Participating Share designated as a USD Class R1A Share, the Dealing Currency of which is the US Dollar

"USD Class P6M Share"	a Participating Share designated as a USD Class P6M Share, the Dealing Currency of which is the US Dollar
"Valuation Day"	in respect of each Class, the Business Day immediately preceding each Redemption Day and each Subscription Day and/or such other day or days as the directors of the Fund may determine, either generally or in any particular case
"%"	per cent

By order of the Board
Neo-Neon Holdings Limited
Huang Yu
Chairman

Hong Kong, 19 July 2017

As at the date of this announcement, the executive Director of the Company is Mr. SEAH Han Leong; the non-executive Directors are Mr. HUANG Yu (Chairman), Mr. LIU Wei Dong and Mr. WANG Liang Hai; and the independent non-executive Directors are Mr. FAN, Ren Da Anthony, Mr. LIU Tian Min and Ms. LI Ming Qi.