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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
DISPOSAL OF CONVERTIBLE BONDS
SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 10 March 2020 (the "**Announcement**") in relation a Transfer Agreement entered into between the Seller and the Purchaser on 31 December 2019 relating to the Disposal. Capitalised terms used herein shall have the same meaning as ascribed to them in the Announcement unless otherwise defined.

SUPPLEMENTAL AGREEMENT

The Board announces that the Seller and the Purchaser entered into a supplemental agreement to clarify and amend the certain terms of the Transfer Agreement on 14 March 2020 (the "**Supplemental Agreement**"). The principal terms of the Transfer Agreement are set out below:

The parties confirmed that the title of the Convertible Bonds should be transferred to the Purchaser on the date of the Supplemental Agreement. The Purchaser shall not dispose the Convertible Bonds in any manner including but not limited to sale, transfer, lending or pledge before Completion without consent of the Seller.

The conditions precedent under the Transfer Agreement have been amended as follows:

(1) Parties should execute the transfer form on the date of the Supplement Agreement upon which the Purchaser will become the holder of the Convertible Bonds.

(2) The Seller should deliver the original transfer form to the provisional liquidators of Burwill and procure that the relevant registration is done and Burwill issues the new title certificate of the Convertible Bonds.

(3) The Purchaser agrees that the new title certificate of the Convertible Bonds shall be retained by the Purchaser until the payment obligation of the Seller under the Transfer Agreement has been fulfilled.

The Purchaser and the Seller executed the transfer form which has been delivered to the provisional liquidator of Burwill for registration. The new title certificate of the Convertible Bonds has been issued in the name of the Purchaser and is currently retained by the Seller.

As at the date of this Announcement, the payment of consideration has not been paid by the Purchaser and the Completion has not occurred.

LISTING RULES IMPLICATIONS AND REMEDIAL ACTIONS

Pursuant to 14.36 of the Listing Rules, where there is any material variation of the terms of a transaction previously announced pursuant to Chapter 14, the listed issuer must as soon as practicable announce this fact by means of an announcement published in accordance with rule 2.07C. The terms of the Supplemental Agreement constitute a material variation to the terms of the Transfer Agreement previously announced in the Announcement and the Company has inadvertently omitted to disclose the terms of the Supplemental Agreement in a timely manner. As such, the failure by the Company to comply with the aforesaid requirement constituted breach of Rule 14.36 of the Listing Rules.

In order to ensure that the Company will operate in strict and full compliance with the Listing Rules, including, among others, the requirements under Rules 14.34 and 14.36 of the Listing Rules, the Company has undertaken the following measures that have been disclosed in the Announcement and put certain procedures in place to prevent reoccurrence of the non-compliance:

(1) the Company has discussed and reviewed its internal control and compliance system to identify any weakness;

(2) all the relevant directors and the staff, in particular, personnel of the Group's securities segment who were involved in the handling of the Disposal and general compliance (the "**Relevant Personnel**"), will attend training sessions focusing on compliance and corporate governance matters;

(3) the Relevant Personnel have been reminded that should there be any information that requires to be disclosed under the Listing Rules in the future, they should notify the company secretary of the Company, the chief executive officer of the Company and/or any person designated by the Board (the "**Designated Officer**") immediately;

(4) upon receipt of the notification from the Relevant Personnel, the Designated Officer shall then immediately inform all Directors and arrange an draft announcement to be prepared for the approval of the Board;

(5) For all future transactions proposed to be entered into by the Group's securities segment, the Board has mandated that:

    (i) such transactions must go through the Company's internal operation administration system for approval; and

(ii) all relevant personnel at the Group's securities segment shall consult with the legal advisers to the Company if in doubt and in particular, for any transaction which may constitute a notifiable transaction under the Listing Rules, before entering into any such new transaction or variation of the terms in any previously entered transaction; and

(6) the Board shall review from time to time,

(i) the competency of the relevant personnel involved at the Group's securities segment, and consider whether appropriate replacement or additions will be necessary; and

(ii) the effectiveness of the abovementioned arrangement and the Group's corporate governance framework, and consult the legal advisers to the Company as necessary.

The Directors are of the view that the above measures could effectively prevent the occurrence of similar non-compliance in the future.

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

Hong Kong, 4 May 2020

As at the date of this announcement, the executive Director 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.