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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

INTERIM RESULTS

The Board of Directors of Neo-Neon Holdings Limited is pleased to announce the interim results and the unaudited consolidated interim financial statements of the Company and its subsidiaries for the Period, together with the comparative figures for the six months ended 30 June 2017. These results have been reviewed by the audit committee, comprising solely the independent non-executive Directors of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018 – Unaudited
(Expressed in Renminbi ("RMB"))

		Six months ended	
		30 June	30 June
		2018	2017
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*3*	**331,821**	322,054
Cost of goods sold		**(199,875)**	(219,973)
Gross profit		**131,946**	102,081
Other income		**4,425**	8,679
Other gains and losses	*4*	**17,226**	105,582
Other expenses		**–**	(462)
Distribution and selling expenses		**(51,320)**	(41,736)
Administrative expenses		**(58,172)**	(54,172)
Finance costs		**(4,815)**	(1,636)

	Notes	Six months ended 30 June 2018 RMB'000 (unaudited)	30 June 2017 RMB'000 (unaudited)
Profit before taxation	*5*	**39,290**	118,336
Income tax	*6*	**(2,300)**	(6,423)
Profit for the period		**36,990**	111,913
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
– Available-for-sale securities: net movement in fair value reserve		**(1,295)**	(7,496)
– Exchange differences on translation of financial statements, net of nil tax		**(6,846)**	(27,544)
Total comprehensive income for the period		**28,849**	76,873
Profit for the period attributable to			
– owners of the Company		**36,799**	111,915
– non-controlling interests		**191**	(2)
		36,990	111,913
Total comprehensive income for the period attributable to			
– owners of the Company		**28,549**	77,011
– non-controlling interests		**300**	(138)
		28,849	76,873
		RMB cents	*RMB cents*
Earning per share			
Basic and diluted	*7*	**1.75**	5.3

Notes:

(i) The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

(ii) This amount arose under the accounting policies applicable prior to 1 January 2018. As part of the opening balance adjustments as at 1 January 2018 the balance of this reserve has been reclassified to retained earnings. See note 2(b).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018 – Unaudited
(Expressed in RMB)

	Note	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Non-current assets			
Investment properties		**14,322**	14,200
Property, plant and equipment		**125,254**	130,394
Prepaid lease payments		**59,347**	30,469
Goodwill		**123,556**	123,454
Intangible assets		**41,589**	35,404
Available-for-sale investments	*2(a)*	**–**	3,324
Other equity instrument investments	*2(a)*	**3,351**	–
Financial asset at fair value through profit or loss		**106,134**	111,166
Deferred tax assets		**3,946**	6,179
		477,499	454,590
Current assets			
Financial asset at fair value through profit or loss	*2(a), 8*	**211,169**	21,571
Inventories		**203,080**	177,395
Trade and other receivables	*9*	**257,653**	208,968
Tax reserve certificates		**29,888**	29,633
Loans	*10*	**277,466**	–
Available-for-sale investments	*2(a)*	**–**	321,079
Restricted bank deposits		**34,767**	13,322
Cash held on behalf of clients		**4,726**	90,321
Cash and cash equivalents		**481,947**	435,964
		1,500,696	1,298,253
Current liabilities			
Trade and other payables	*11*	**151,283**	234,827
Taxation payable		**929**	40
Interest-bearing borrowings		**355,736**	70,243
		507,948	305,110
Net current assets		**992,748**	993,143
Total assets less current liabilities		**1,470,247**	1,447,733

	Note	At **30 June** **2018** ***RMB'000***	At 31 December 2017 *RMB'000*
Non-current liabilities			
Government grants		**6,825**	7,475
Deferred tax liabilities		**5,036**	6,459
		11,861	13,934
Net assets		**1,458,386**	1,433,799
Capital and reserves			
Share capital	*12*	**185,814**	186,912
Reserves		**1,268,308**	1,242,923
Equity attributable to owners of the Company		**1,454,122**	1,429,835
Non-controlling interests		**4,264**	3,964
Total equity		**1,458,386**	1,433,799

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See note 2.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 10 August 2018.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2017 that is included in the interim financial report as comparative information does not constitute the company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2017 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 16 March 2018.

2 CHANGES IN ACCOUNTING POLICIES

(a) Overview

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*
- HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Details of the changes in accounting policies are discussed in note 2(b) for HKFRS 9 and note 2(c) for HKFRS 15.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of HKFRS 9 and HKFRS 15 as an adjustment to the opening balance of equity at 1 January 2018. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated statement of financial position that has been impacted by HKFRS 9:

	At 31 December 2017	Impact on initial application of HKFRS 9 *(Note 2(b))*	**At 1 January 2018**
	RMB'000	*RMB'000*	***RMB'000***
Available-for-sale investments	3,324	(3,324)	–
Other equity instrument investments	–	3,324	3,324
Total non-current assets	454,590	–	454,590
Available-for-sale investments	321,079	(321,079)	–
Financial asset at fair value through profit or loss	21,571	321,079	342,650
Total current assets	1,298,253	–	1,298,253
Total current liabilities	305,110	–	305,110
Net current assets	993,143	–	993,143
Total assets less current liabilities	1,447,733	–	1,447,733
Total non-current liabilities	13,934	–	13,934
Net assets	1,433,799	–	1,433,799
Total equity attributable to equity shareholders of the company	1,429,835	–	1,429,835
Total equity	1,433,799	–	1,433,799

Further details of these changes are set out in sub-sections (b) of this note.

(b) HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under HKAS 39.

The following table summarises the impact of transition to HKFRS 9 on retained earnings and reserves and the related tax impact at 1 January 2018.

	RMB'000
Retained earnings	
Transferred from fair value reserve (recycling) relating to financial assets now measured at FVPL	13,285
Fair value reserve (recycling)	
Transferred to retained earnings relating to financial assets now measured at FVPL	(13,285)

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

– FVOCI-recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

– FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 31 December 2017	Reclassification	**HKFRS 9 carrying amount at 1 January 2018**
	RMB'000	*RMB'000*	***RMB'000***
Financial assets carried at amortised cost			
Cash and cash equivalents	435,964	–	**435,964**
Trade and other receivables	208,968	–	**208,968**
Restricted bank deposits	13,322	–	**13,322**
	658,254	–	**658,254**
Financial assets measured at FVOCI (non-recyclable)			
Equity securities *(note (i))*	–	3,324	**3,324**
Financial assets carried at FVPL			
Units in bond funds *(note (ii))*	–	321,079	**321,079**
Trading securities *(note (iii))*	132,737	–	**132,737**
	132,737	321,079	**453,816**
Financial assets classified as available-for-sale under HKAS 39 *(note (i), (ii))*	324,403	(324,403)	**–**

Notes:

(i) Under HKAS 39, equity securities not held for trading were classified as available-for-sale financial assets. These equity securities are classified as at FVPL under HKFRS 9, unless they are eligible for and designated at FVOCI by the Group. At 1 January 2018, the Group designated certain unlisted equity investments at FVOCI (non-recyclable), as these investments are held for strategic purposes.

(ii) Under HKAS 39, units in bond funds were classified as available-for-sale financial assets. They are classified as at FVPL under HKFRS 9.

(iii) Trading securities were classified as financial assets FVPL under HKAS 39. These assets continue to be measured at FVPL under HKFRS 9.

The measurement categories for all financial liabilities remain the same, except for financial guarantee contracts.

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within "trade and other payables" at fair value. Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when expected credit losses (ECLs, see note 2(b)(ii)) on the financial guarantees are determined to be higher than the amount carried in "trade and other payables" in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

The carrying amounts for all financial liabilities (including financial guarantee contracts) at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 January 2018.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the ECL model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to the following items:

– financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans).

Financial assets measured at fair value, including units in bond funds, equity securities measured at FVPL and equity securities designated at FVOCI (non-recycling) and derivative are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

– The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are Grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income on credit-impaired financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Opening balance adjustment

The Group assessed the ELCs of financial assets measured at amortised cost as at 1 January 2018. There was no significant change to the loss allowance for these financial assets of the Group as at 1 January 2018.

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

– Information relating to comparative periods has not been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 continues to be reported under HKAS 39 and thus may not be comparable with the current period.

– The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2018 (the date of initial application of HKFRS 9 by the Group):

  – the determination of the business model within which a financial asset is held; and

  – the designation of certain investments in equity instruments not held for trading to be classified as at FVOCI (non-recycling).

– If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

(c) HKFRS 15, *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

The transition to HKFRS 15 has no material impact on retained earnings at 1 January 2018.

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(i) Timing of revenue recognition

Previously, revenue arising from construction contracts and provision of services was recognised over time, whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The transition to HKFRS 15 has no material impact on retained earnings at 1 January 2018.

(d) HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

This interpretation provides guidance on determining "the date of the transaction" for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC)22 does not have any material impact on the financial position and the financial result of the Group.

3 REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on by divisions, which are organised by a mixture of both business lines (products and services) and geography. Specifically, the Group's reportable segments under HKFRS 8 are as follows:

People's Republic of China ("PRC") lighting segment	–	research and development, manufacture of lighting products in PRC and distribution of lighting products in PRC and overseas
United States of America ("USA") lighting segment	–	distribution and providing solutions of lighting Products in the USA.
Securities segment	–	asset management services, investment advisory services and securities trading

Revenue represents the fair value of the consideration received and receivable for goods sold by the Group to external customers during the period.

(a) Information about profit or loss, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	PRC lighting segment		**USA lighting segment**		**Securities segment**		**Total**	
For the six months ended	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Revenue from external customers	**110,535**	96,079	**183,665**	215,207	**37,621**	10,768	**331,821**	322,054
Inter-segment revenue	**8,359**	7,449	**–**	–	**–**	–	**8,359**	7,449
Reportable segment revenue	**118,894**	103,528	**183,665**	215,207	**37,621**	10,768	**340,180**	329,503
Reportable segment profit	**21,031**	111,602	**16,698**	14,526	**9,204**	3,341	**46,933**	129,469
As at 30 June/31 December								
Reportable segment assets	**928,925**	852,468	**250,911**	257,037	**761,805**	628,287	**1,941,641**	1,737,792
Reportable segment liabilities	**233,610**	123,422	**84,520**	85,498	**165,401**	107,026	**483,531**	315,946

(b) Reconciliations of reportable segment profit or loss

	Six months ended 30 June 2018 *RMB'000* (unaudited)	30 June 2017 *RMB'000* (unaudited)
Reportable segment profit derived from Group's external customers	**46,933**	129,469
Unallocated expenses	**(11,958)**	(10,551)
Unallocated other gains and losses	**4,315**	(582)
Profit before taxation	**39,290**	118,336

Segment profit represents the profit incurred by each segment without allocation of unallocated expenses, certain other gains or losses and expenses. This is the measure reported to the board of directors of the Company for the purposes of resource allocation and performance assessment.

4 OTHER GAINS AND LOSSES

	Six months ended 30 June 2018 *RMB'000* (unaudited)	30 June 2017 *RMB'000* (unaudited)
Gain on disposal of subsidiaries	**–**	110,649
Fair value changes on financial assets at fair value through profit or loss	**5,947**	–
Gain on disposal of property, plant and equipment	**71**	432
Net allowance of bad and doubtful debts	**(8,087)**	(352)
Net exchange gain/(loss)	**19,268**	(5,178)
Others	**27**	31
	17,226	105,582

5 PROFIT BEFORE TAXATION

	Six months ended 30 June 2018 *RMB'000*	30 June 2017 *RMB'000*
Profit before taxation has been arrived at after charging/(crediting):		
(a) Finance costs		
Interest on interest bearing borrowings	**4,815**	1,636
(b) Other items		
Depreciation	**8,940**	9,471
Amortisation		
– prepaid lease payment	**644**	405
– intangible assets	**2,314**	3,036
Research and development costs (other than amortisation)	**–**	462
Operating lease rentals in respect of		
– rented premises	**5,619**	4,163
Interest income from bank deposits	**(1,591)**	(1,291)
Property rental income before deduction of negligible outgoings	**(2,676)**	(1,809)

6 TAXATION

	Six months ended 30 June 2018 *RMB'000* (unaudited)	30 June 2017 *RMB'000* (unaudited)
Taxation in the consolidated statement of comprehensive income represents:		
Provision for the period	**1,487**	6,745
Deferred taxation	**813**	(322)
	2,300	6,423

7 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	30 June	30 June
	2018	2017
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit attributable to owners of the Company	**36,799**	111,915

Weighted average number of ordinary shares:

	Number of shares Six months ended	
	30 June	30 June
	2018	2017
	'000	*'000*
Issued ordinary shares at 1 January	**2,103,278**	1,938,320
Effect of shares repurchased	**(3,800)**	(191)
Effect of issuance of new shares	**–**	158,520
Weighted average number of ordinary shares at 30 June	**2,099,478**	2,096,649

The equity-settled share options were not included in the calculation of diluted earnings per share because they are antidilutive for the six months ended 30 June 2018 and 2017.

8 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June	At 30 June
	2018	2017
	RMB'000	*RMB'000*
Equity securities and bond funds at fair value		
– Listed	**51,891**	21,571
– Unlisted	**159,278**	–
	211,169	21,571

9 TRADE AND OTHER RECEIVABLES

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Trade receivables		
– due from related parties	**4,609**	4,667
– due from third parties	**191,065**	168,562
Bills receivable	**33,272**	10,190
Less: allowance for bad and doubtful debts	**(49,884)**	(46,312)
	179,062	137,107
Deposits paid to suppliers	**16,548**	13,916
Value added tax recoverable	**42,302**	35,193
Value added tax refundable on export sales	**3,960**	3,905
Other receivables	**15,781**	18,847
	257,653	208,968

The following is an ageing analysis of trade and bills receivable presented based on the invoice dates (or date of revenue recognition, if earlier) and net of allowance for doubtful debts:

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
0 to 60 days	**125,947**	87,539
61 to 90 days	**7,116**	6,461
91 to 180 days	**19,603**	19,129
Over 180 days	**26,396**	23,978
	179,062	137,107

10 LOANS

	At 30 June 2018 RMB'000	At 31 December 2017 RMB'000
Loans receivable within one year	**277,466**	–

11 TRADE AND OTHER PAYABLES

	At **30 June** **2018** ***RMB'000***	At 31 December 2017 *RMB'000*
Accounts payable to securities clients	**4,726**	90,321
Trade payables	**92,192**	55,771
Bills payable	**2,978**	24,669
Payroll and welfare payables	**1,538**	3,959
Other payables	**27,803**	44,211
Financial liabilities measured at amortised cost	**129,237**	218,931
Customers' deposits	**18,865**	11,866
Other taxes payable	**3,181**	4,030
	151,283	234,827

The following is an ageing analysis of trade and bills payable presented based on the invoice date at the end of the year:

	At **30 June** **2018** ***RMB'000***	At 31 December 2017 *RMB'000*
0 to 60 days	**65,249**	57,408
61 to 90 days	**9,592**	2,963
91 to 180 days	**3,999**	53
181 to 360 days	**548**	3,469
More than 360 days	**15,782**	16,547
	95,170	80,440

12 SHARE CAPITAL

(a) Share capital

	Authorised		Issued and fully paid	
	Number of shares	Amount	Number of shares	Amount
		HKD'000		*RMB'000*
Ordinary shares of nominal value HK$0.10 each				
– at 31 December 2017	5,000,000,000	500,000	2,109,163,417	186,912
Share repurchased and cancelled	–	–	(13,270,000)	(1,098)
– at 30 June 2018	**5,000,000,000**	**500,000**	**2,095,893,417**	**185,814**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Treasury shares

	2018	
	Number of shares	**Amounts**
		RMB'000
Treasury shares		
At 1 January	8,944,000	6,300
Shares repurchased to be cancelled	5,240,000	3,339
Cancellation of treasury shares	(13,270,000)	(8,999)
At 30 June	914,000	640

During the six months ended 30 June 2018, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	**Number of shares repurchased**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate price paid**
		HK$	*HK$*	*HK$'000*
January 2018	2,032,000	0.83	0.75	1,637
February 2018	2,294,000	0.80	0.69	1,690
June 2018	914,000	0.87	0.80	757

13 CAPITAL COMMITMENTS

Capital commitments outstanding at 30 June 2018 not provided for in the interim financial statements were as follows:

	At 30 June 2018 *RMB'000*	At 31 December 2017 *RMB'000*
Acquisition of property, plant and equipment	**4,917**	4,569

14 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with the controlling shareholder and its subsidiaries

	Six months ended	
	30 June 2018 *RMB'000* **(unaudited)**	30 June 2017 *RMB'000* (unaudited)
Proceeds from shareholder loans	**162,454**	–
Interest owed to shareholder loans	**2,265**	–
Sales of products	**100**	1,612
Consideration received from disposal of subsidiaries	**–**	251,668

(b) Transactions with other state-controlled entities in the PRC

The controlling shareholder of the Company, Tsinghua Tongfang is a state-controlled enterprise controlled by the PRC government. Apart from transactions with Tsinghua Tongfang and its subsidiaries which were disclosed in note 14(a) above, the Group also has transactions with other state-controlled entities, included but not limited to the following:

- sales of products and provision of services;
- purchase of materials; and
- bank deposits and borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue for the Period was approximately RMB331.8 million, representing an increase of approximately 3.0% as compared to approximately RMB322.1 million for the six months ended 30 June 2017. For further details, please refer to the below.

Lighting Segment

The revenue attributable to the lighting segment (research and development, manufacturing of lighting products and distribution of lighting products and providing solutions of lighting products) for the Period was approximately RMB294.2 million, representing a decrease of approximately 5.5% as compared to approximately RMB311.3 million for the six months ended 30 June 2017, mainly attributable to the prudent selective acceptance of orders with higher profit margin during the Period.

Securities Segment

During the Period, the revenue attributable to securities segment was approximately RMB37.6 million, representing an increase of approximately 248.1% as compared to approximately RMB10.8 million for the six months ended 30 June 2017, mainly attributable to increasing gain in securities investment during the Period.

Cost of goods sold

For the Period, the cost of goods sold was approximately RMB199.9 million, representing a decrease of approximately RMB20.1 million over approximately RMB220.0 million for the six months ended 30 June 2017. Such decrease was mainly attributable to the decrease in material cost.

Gross profit and gross profit margin

For the Period, the Group recorded a gross profit of approximately RMB131.9 million, representing an increase of RMB29.8 million or 29.2% over the gross profit of approximately RMB102.1 million for the six months ended 30 June 2017.

Lighting Segment

For the Period, the Group recorded a gross profit of approximately RMB94.3 million for the lighting segment, representing an increase of approximately RMB3.0 million or 3.3% over approximately RMB91.3 million for the six months ended 30 June 2017 primarily due to the prudent selective acceptance of orders with higher profit margin.

Securities Segment

For the Period, the Group's securities segment recorded a gross profit of approximately RMB37.6 million.

The Group recorded a gross profit margin of approximately 39.8% for the Period, representing an increase of 8.1 percentage points over a gross profit margin of approximately 31.7% for the six months ended 30 June 2017 because there is no cost of goods sold for securities segment and a decrease in material cost.

Other gains, losses and expenses

For the Period, the Group recorded other gains of approximately RMB17.2 million, representing a decrease of approximately RMB88.4 million over the other gains of RMB105.6 million for the six months ended 30 June 2017. The gain was mainly due to the net gains of approximately RMB110.6 million resulting from the completion of the disposal of three subsidiaries, namely Yangzhou Tongfang Semiconductors Co., Ltd, Shanghai Cuineng Photoelectricity Science and Technology Co., Ltd and Tianjin Zhenmingli Photoelectricity Co., Ltd during the period ended 30 June 2017 and there was no disposal of any subsidiary in the Period.

Impairment loss of property, plant and equipment

For the Period, the amount of impairment losses recognised in respect of property, plant and equipment was nil (30 June 2017: nil).

Operating expenses

For the Period, total operating expenses were approximately RMB109.5 million, representing an increase of approximately RMB13.6 million over approximately RMB95.9 million for the six months ended 30 June 2017, mainly attributable to the increase in staff costs, rent and rates and professional fees.

Finance costs

The finance costs for the Period was approximately RMB4.8 million, representing an increase of RMB3.2 million over RMB1.6 million for the six months ended 30 June 2017, mainly due to the increase in bank loan.

Taxation

For the Period, the Group's tax charge of RMB2.3 million (30 June 2017: tax charge of RMB6.4 million) mainly included tax provision for the Period of 2018 for approximately RMB1.5 million and deferred tax of approximately RMB0.8 million.

Profit attributable to owners of the Company

For the Period, the Group recorded a profit attributable to owners of the Company of RMB36.8 million, representing a decrease over RMB75.1 million for the six months ended 30 June 2017, primarily due to the absence of disposal of any subsidiary recognised during the Period as compared to the net gains of approximately RMB110.6 million resulting from the completion of the disposal of three subsidiaries, namely Yangzhou Tongfang Semiconductors Co., Ltd, Shanghai Cuineng Photoelectricity Science and Technology Co., Ltd and Tianjin Zhenmingli Photoelectricity Co., Ltd during the period ended 30 June 2017.

Financial Resources and Liquidity and Gearing Ratio

The Group maintained a stable financial position. As at 30 June 2018, the Group had bank balances of RMB481.9 million and interest-bearing borrowings of approximately RMB355.7 million. The gearing ratio representing the ratio of interest-bearing borrowings to total equity of the Group was 24.4% as at 30 June 2018 (31 December 2017: 4.9%). Such increase was mainly caused by increase in interest-bearing borrowings of RMB314.1 million.

Cash flows

The Group's financial resources mainly consist of cash flow from operating activities, investing activities and financing activities.

The Group recorded (1) cash outflow from operating activities of approximately RMB89.8 million (the six months ended 30 June 2017: cash outflow of RMB109.3 million) for the Period; (2) cash outflow from investing activities of approximately RMB141.7 million (the six months ended 30 June 2017: cash outflow of approximately RMB60.9 million) for the Period; and (3) cash inflow from financing activities of approximately RMB273.9 million (the six months ended 30 June 2017: cash inflow of approximately RMB96.3 million) for Period.

The above decrease in cash outflow from operating activities was mainly attributable to (1) increase in inventories of approximately RMB25.2 million; (2) increase in trade receivables of approximately RMB57.0 million and (3) decrease in trade and other payables of approximately RMB69.7 million.

The above increase in cash outflow from investing activities was mainly attributable to (1) the disposal of financial assets at fair value through profit or loss of approximately RMB538.6 million; and (2) the purchase of financial assets at fair value through profit or loss of approximately RMB383.0 million; and (3) the purchase of financial assets carried at amortised cost of approximately RMB277.5 million.

The above increase in cash inflow from financing activities was mainly attributable to increase in interest-bearing borrowings of approximately RMB314.1 million and repayment of bank loans of approximately RMB32.1 million.

Assets and liabilities

As at 30 June 2018, the Group recorded the total assets of approximately RMB1,978.2 million (31 December 2017: RMB1,752.8 million) and total liabilities of approximately RMB519.8 million (31 December 2017: RMB319.0 million).

As at 30 June 2018, the Group's current assets and non-current assets were approximately RMB1,500.7 million (31 December 2017: RMB1,298.3 million) and approximately RMB477.5 million (31 December 2017: RMB454.5 million) respectively. The increase in current assets was mainly attributable to the increase in financial asset at fair value through profit or loss of approximately RMB189.6 million, and trade and other receivables of approximately RMB48.7 million.

As at 30 June 2018, the Group's current liabilities and long-term liabilities were approximately RMB507.9 million (31 December 2017: RMB305.1 million) and approximately RMB11.9 million (31 December 2017: RMB13.9 million) respectively. The increase in current liabilities was mainly attributable to increase in interest-bearing borrowings of approximately RMB285.5 million.

Foreign exchange Risk

Several subsidiaries of the Company have sales and purchases denominated in currencies other than the functional currency of respective entity, which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy to eliminate the currency exposures. However, the management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

Charge on Assets

As at 30 June 2018, the Group did not pledge any of its land and buildings (31 December 2017: nil). The Group pledged certain of its trade receivables and inventories with an aggregate carrying value of approximately RMB52.2 million (31 December 2017: RMB53.4 million), and also bank deposits of aggregate carrying value of RMB34.8 million (31 December 2017: RMB13.3 million) to secure bank credit facilities granted to the Group.

Capital Commitments

As at 30 June 2018, the Group had capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment of RMB4.9 million (31 December 2017: RMB4.6 million).

Contingent Liabilities

During the Period, certain subsidiaries are parties to various legal claims in their ordinary course of business. In the opinion of the Directors, these claims would not have a significant impact on the Group's results and financial position.

Capital Structure

As at 30 June 2018, the issued share capital of the Company was RMB185,814,228 (equivalent to HK$209,589,342) (31 December 2017: RMB186,911,931 (equivalent to HK$210,916,342)), divided into 2,095,893,417 ordinary shares of HK$0.10 each. Such change was primarily due to cancellation of the repurchased Shares.

Advance to an Entity

On 6 April 2018, Tongfang Finance Limited, a wholly-owned subsidiary of the Company, had agreed to advance an aggregate of secured loans of HK$269,102,000 to Mr. Wang Li Feng as the borrower (the "Borrower") by way of (i) an acquisition of bonds (the "Bonds") issued by the Borrower at a consideration of HK$185,450,000; and (ii) a provision of a secured loan in cash of HK$83,652,000 at an interest rate of 8% per annum under a loan agreement(the "Loan Agreement") dated 6 April 2018 and entered into between Tongfang Finance Limited and the Borrower. On 6 April 2018, Tongfang Finance Limited had also entered into a supplemental agreement (the "Supplemental Agreement") with the Borrower to amend certain terms of the Bonds. The transactions contemplated under the Bonds as amended by the Supplemental Agreement and the Loan Agreement constitute an advance to an entity by the Company under Rule 13.13 of the Listing Rules and details of the relevant interest rates, repayment terms and collaterals are disclosed in the announcement of the Company dated 6 April 2018.

As at 30 June 2018, the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules continued to exist and the advance to the Borrower by the Group as at 30 June 2018 amounted to HK$269,102,000.

Material Acquisition, Disposal and Significant Investment

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period, nor was there any plan authorized by the Board for other material investments or additions of capital assets during the Period.

Interim Dividend

The Board resolved not to declare any dividend for the Period (30 June 2017: nil).

BUSINESS REVIEW

Overview

During the Period, lighting segment of the Group seized the opportunity to explore the overseas market without slack, increased the gross margins, improved the management level, and revitalized idle assets, which lead to the improvement in its operating performance.

Heshan Tongfang Lighting Technology Co., Ltd.* (鶴山同方照明科技有限公司) ("Heshan Tongfang"), a wholly-owned subsidiary of the Group, entered into an investment framework agreement (the "Investment Framework Agreement") with the Management Committee of Heshan Municipal Industry City* (鶴山市工業城管委會) ("Management Committee of Heshan Industry City") in relation to the development and expansion of electronic information industry and LED lighting industry in Heshan Industry City* (鶴山市工業城) by planning and constructing Tongfang Science and Technology City* (同方科技城), a science and technology zone to be operated by Heshan Tongfang on 29 June 2017.

The Investment Framework Agreement marks the Group's continuous efforts to expand its current businesses of research & development, sales and manufacturing of LED decorative lighting, LED general lighting, LED professional lighting and engineering projects. The cooperation with Management Committee of Heshan Industry City also demonstrates the local government authority's commitment and faith in the Group's business and operation.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the Investment Framework Agreement is in the best interest of the Company and the shareholders of the Company as a whole.

On 1 March 2018, the Company received an approval letter from Heshan Municipal People's Government* (鶴山市人民政府) ("Heshan Government"), pursuant to which Heshan Government has approved the construction and development plan of Tongfang Science and Technology City* (同方科技城), a science and technology zone to be operated by Heshan Tongfang, in Heshan Industry City* (鶴山市工業城) as contemplated under the Investment Framework Agreement. On 7 August 2018, Heshan Municipal Land Bureau determined the site map of each planned plot. In the event any definitive agreement in relation to the Investment Framework Agreement is entered into, further announcement(s) will be made as appropriate in compliance with the Listing Rules.

On the other hand, the Company has started to cultivate the following into new pillar businesses, fund management, investment banking, financial management and technology-based financial business investments from emerging industries. During 2017, the Company completed the acquisition of Buttonwood Finance Limited, which is currently named as Tongfang Securities Limited and has become a wholly-owned subsidiary of the Company. Tongfang Securities Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of asset management services, investment advisory services and securities trading, and is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Tongfang Securities Limited also incorporated Tongfang Capital Limited which is a licensed corporation to carry on Type 6 (Advising on Corporate Finance) regulated activity under the SFO. Tongfang Finance Limited, an entity under common control with Tongfang Securities, is a corporation to carry on money lending business under Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong). The deployment and development of such national strategic emerging industries would facilitate the Group to continue to innovate and develop.

Sales and Distribution

During the Period, the Group took efforts in distribution and marketing, improving and expanding the sales channel of general LED lighting products. The Group proactively made deployment in branding establishment and sales channel in the world's fastest growing markets and brought to its customers better sales services in energy-saving technologies and solutions.

Research and Development ("R&D")

The Group's R&D efforts were driven towards product design, new product development and production efficiency improvement in order to reduce the overall production cost.

Employees and Remuneration Policy

As at 30 June 2018, the Group's total number of employees was approximately 1,200 (31 December 2017: 1,200). The basic remunerations of the employees are determined with reference to the industry remuneration benchmark, the employees' experience and their performance. Salaries of employees are maintained at a competitive level and are reviewed annually, with close reference to the relevant labour market and economic situation. Directors' remuneration is determined based on a variety of factors such as market conditions and responsibilities assumed by each Director. Apart from the basic remuneration and statutory benefits required by laws, the Group provides discretionary bonus based upon the Group's results and the individual performance of the staff.

In addition to the share option schemes and subsidiary share incentive plan adopted by the Company, on 13 April 2018, the Company approved the adoption of share award scheme which is a long-term incentive plan of the Company to align the interests of selected participants directly to the Shareholders through ownership of Shares.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders.

Throughout the Period, the Company complied with the code provisions and, where appropriate, adopted the recommended best practices as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has also adopted the Model Code set out in Appendix 10 of the Listing Rules throughout the Period as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company repurchased its own shares on the Stock Exchange, details of which are as follows:

Month/Year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
2 January 2018 (1)	394,000	HK$0.83	HK$0.82	HK$326,100
8 January 2018 (1)	314,000	HK$0.82	HK$0.80	HK$252,700
9 January 2018 (1)	986,000	HK$0.82	HK$0.79	HK$801,500
19 January 2018 (2)	338,000	HK$0.78	HK$0.75	HK$256,440
2 February 2018 (2)	684,000	HK$0.75	HK$0.71	HK$498,900
6 February 2018 (2)	172,000	HK$0.74	HK$0.71	HK$125,260
7 February 2018 (2)	484,000	HK$0.77	HK$0.72	HK$356,200
9 February 2018 (2)	256,000	HK$0.71	HK$0.69	HK$178,380
13 February 2018 (2)	698,000	HK$0.80	HK$0.72	HK$531,120
20 June 2018 (3)	460,000	HK$0.87	HK$0.80	HK$376,180
22 June 2018 (3)	302,000	HK$0.85	HK$0.84	HK$255,380
25 June 2018 (3)	152,000	HK$0.84	HK$0.82	HK$125,600

(1) The repurchased shares were cancelled on 5 March 2018.

(2) The repurchased shares were cancelled on 11 May 2018.

(3) The repurchased shares have not been cancelled as at the date of this announcement.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

From 1 July 2018 up to the date of this Announcement, the Company repurchased its own shares on the Stock Exchange, details of which are as follows:

Month/Year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
3 July 2018	26,000	HK$0.85	HK$0.79	HK$21,760
4 July 2018	448,000	HK$0.81	HK$0.74	HK$351,560

The repurchased shares above have not been cancelled as at the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (http://www.neo-neon.com). The interim report for the Period containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

DEFINITIONS

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

"Articles of Association" or "Articles"	the articles of association of the Company adopted by the written resolution of the Shareholders on 20 November 2006 and as amended, supplemented and otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of directors of the Company
'Business Day" or "business day"	a day on which banks in Hong Kong and Cayman Islands are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong or Cayman Islands
"BVI"	British Virgin Islands
"China" or "PRC"	the People's Republic of China, excluding Hong Kong, Macau and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Companies (WUMP) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Company"	means Neo-Neon Holdings Limited (stock code: 1868), 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, and the depositary receipts of which are listed on the Taiwan Stock Exchange
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholders"	has the meaning ascribed thereto in the Listing Rules
"Corporate Governance Code"	code on corporate governance practices contained in Appendix 14 to the Listing Rules
"Director(s)"	the director(s) of the Company

"Group"	the Company and its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"HK$" and "HK cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 of the Listing Rules
"Period"	the six months ended 30 June 2018
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
"Share(s)"	means share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"%"	per cent.

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

Hong Kong, 10 August 2018

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