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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)

PROFIT WARNING

The announcement is made by Neo-Neon Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and information currently available to the Board, the Group expects that the loss attributable to owners of the Company for the six months ended 30 June 2020 will be no less than RMB38 million compared to a profit of approximately RMB11 million attributable to owners of the Company for six months ended 30 June 2019. Such loss was primarily attributable to the adverse impact of the outbreak of the coronavirus disease globally since early 2020 ("**COVID-19**") which became more prominent in the second quarter of 2020. Firstly, the lockdowns, quarantine, social distancing and other containment measures implemented in the PRC have reduced the Group's production capacity and operating profit. Secondly, the Group's securities segment incurred losses primarily due to a decrease in gain recognised from the fair value changes of equity funds. Thirdly, the Group's customers in the United States had cut back on their orders of professional lighting products in view of the adverse market conditions created by COVID-19, resulting in a decline in revenue of the Group's lighting segment.

The Board has taken proactive measures to mitigate the operational risks. The Group will continue to implement measures for COVID-19 pandemic prevention and control, whilst pursuing to recoup the Group's financial performance through various means. As at the date of this announcement, the Group's production facilities have resumed full operation.

As the Company is still in the process of finalising the results of the Group for the six months ended 30 June 2020, the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group, which have not been confirmed, reviewed or audited by the Company's auditors and may be subject to valuation of certain assets of the Group and adjustments such as provisions for impairment of assets. Detailed financial information of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2020 which is expected to be published by the Company within the timeframe as stipulated under the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the securities of the Company.

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

Hong Kong, 15 July 2020

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