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Neo-Neon Holdings Limited
真明麗控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1868)

THTF Energy-Saving Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Financial Adviser to the Company



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED
卓亞(企業融資)有限公司

Financial Adviser to the Subscriber



凱基金融亞洲
KGI CAPITAL ASIA

中華開發金控
CHINA DEVELOPMENT FINANCIAL

(1) PROPOSED ISSUE OF SUBSCRIPTION SHARES;

(2) APPLICATION FOR WHITEWASH WAIVER;

AND

(3) RESUMPTION OF TRADING

References are made to the announcements of the Company dated 28 January 2014 and 28 February 2014 in relation to the LOI.

THE SUBSCRIPTION

On 19 March 2014 (after trading hours), the Company entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000 Subscription Shares, representing approximately 106.5% of the existing number of issued Shares and approximately 51.6% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the total number of issued Shares other than the allotment and issue of the Subscription Shares since the date of the Subscription Agreement and up to Completion), at the Subscription Price of HK\$0.90 per Subscription Share.

The issue of the Subscription Shares will be subject to the Specific Mandate to be approved by the Independent Shareholders at the EGM by ordinary resolution.

Save as the LOI and the Subscription Agreement, none of the Subscriber or any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of the announcement of the Company in relation to the LOI, i.e. 28 January 2014, and apart from 14,000,000 Shares owned by CDIB Capital, an Affiliate of the Subscriber's Financial Adviser, and the Subscription Shares, none of the Subscriber or any party acting in concert with it is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

APPLICATION FOR WHITEWASH WAIVER

Immediately after Completion, the Subscriber and parties acting in concert with it will in aggregate be interested in 1,014,000,000 Shares, representing approximately 108.0% of the existing number of issued Shares and approximately 52.3% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the total number of issued Shares other than the allotment and issue of the Subscription Shares since the date of Subscription Agreement and up to Completion). Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. The Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of a poll.

If the Whitewash Waiver is granted by the Executive and is approved by the Independent Shareholders and Completion having taken place, the aggregate shareholding of the Subscriber and parties acting in concert with it in the Company will exceed 50% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscriber may further increase its shareholdings in the Company without incurring any further obligation to make a general offer under Rule 26 of the Takeovers Code.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. Further announcement will be made by the Company once the independent financial adviser has been appointed in accordance with Rule 2.1 of the Takeovers Code.

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate); and (ii) the Whitewash Waiver. The voting in relation to the Subscription Agreement and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby, (a) the Subscriber, its associates and the parties acting in concert with it and other Shareholders who have a material interest in the Subscription shall abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Subscription Agreement (including the Specific Mandate); and (b) the Subscriber, its associates and the parties acting in concert with it and other Shareholders who are interested or involved in the Subscription and the Whitewash Waiver shall abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Whitewash Waiver. Save for the 14,000,000 Shares owned by CDIB Capital, the Subscriber and parties acting in concert with it do not hold any Shares. As at the date of this announcement, the Directors take the view that, save as CDIB Capital, no Shareholder is required to abstain from voting on any of the ordinary resolutions to be proposed at the EGM in respect of the Subscription and the Whitewash Waiver as none of them falls within the description set out in categories (a) or (b) above.

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Subscription Shares.

The Circular containing, among other things, details of the Subscription and the Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting and the notice of the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 am on 20 March 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 26 March 2014.

Warnings: the Subscription is subject to the fulfilment or waiver (as the case may be) of a number of Conditions, including approval of the Subscription and the Whitewash Waiver by the Independent Shareholders at the EGM, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

References are made to the announcements of the Company dated 28 January 2014 and 28 February 2014 in relation to the LOI.

SUBSCRIPTION AGREEMENT

Date: 19 March 2014 (after trading hours)

Parties

1. The Company as issuer; and
2. The Subscriber as subscriber.

The Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe in cash for an aggregate of 1,000,000,000 Subscription Shares, representing approximately 106.5% of the existing number of issued Shares and approximately 51.6% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the total number of issued Shares other than the allotment and issue of the Subscription Shares since the date of the Subscription Agreement and up to Completion), at the Subscription Price of HK\$0.90 per Subscription Share.

The aggregate consideration for the Subscription, being HK\$900,000,000, shall be payable by the Subscriber in cash on Completion.

The Subscription Price

The Subscription Price of HK\$0.90 per Subscription Share represents:

- (i) a discount of 50.0% to the closing price of HK\$1.800 per Share as quoted on the Stock Exchange on 19 March 2014, being the Last Trading Day;
- (ii) a discount of 50.0% to the average closing price per Share of approximately HK\$1.800 for the last five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day; and
- (iii) a discount of approximately 50.5% to the average closing price per Share of approximately HK\$1.819 for the last ten consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiations among the Company and the Subscriber with reference to the liquidity of the Shares, the financial performance of the Company and the strategic value and industry and operational expertise of the Subscriber and its Affiliates.

The Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser in relation to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting and whether the entering into of the Subscription Agreement is in the interest of the Shareholders as a whole) consider that the terms of the Subscription are fair and reasonable and on normal commercial terms and the entering into of the Subscription Agreement is in the interest of the Shareholders as a whole.

1. Conditions Precedent

Completion under the Subscription Agreement is conditional upon satisfaction of the following Conditions:

- 1.1 the Subscriber notifying the Company in writing that it is satisfied with its due diligence review as to, among others, the respective financial, corporate, taxation and trading positions and title to assets of each Member of the Group;
- 1.2 the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the Completion (save for any temporary suspension pending any announcement in connection with the Subscription Agreement) and the Stock Exchange or the SFC not having indicated that they will object to such listing on the basis of the transactions contemplated under the Subscription Agreement or for any reasons arising thereof;
- 1.3 the following resolutions having been passed at the EGM of the Company:
 - (a) the passing by the Shareholders (who are allowed to vote under the Listing Rules and the Takeovers Code or allowed by the Stock Exchange to vote) at the EGM of resolutions which are necessary to give effect to the Subscription Agreement and the proposed transactions thereunder, among other things, approving
 - (i) the grant of a specific mandate by the Board to allot and issue the Subscription Shares; and
 - (ii) the Subscription Agreement and the transactions contemplated thereunder; and
 - (b) the passing of a resolution by the Independent Shareholders at the EGM approving the Whitewash Waiver by way of poll;

- 1.4 the passing of a resolution by the ultimate controlling shareholder of the Subscriber, namely, Tsinghua Tongfang, at its shareholders meeting and/or meeting of the board of directors approving the Subscription under the Subscription Agreement in accordance with its articles of association and relevant statutory regulations;
- 1.5 the Whitewash Waiver having been granted by the Executive;
- 1.6 the approval having been granted by the Stock Exchange in respect of the listing and dealing of the Subscription Shares which shall not be revoked prior to Completion;
- 1.7 the Warranties having remained true and accurate and not misleading as at Completion and at all times throughout the period from the date of the Subscription Agreement to Completion;
- 1.8 auditors of the Company having been changed to KPMG which shall be the auditor auditing the financial statements of the Company for the financial year ending 31 March 2014;
- 1.9 the equity attributable to equity holders of the Company as at 31 December 2013 pursuant to the audited results of the Management Accounts by KPMG not being less than 50% of the equity attributable to the equity holders of the Company according to the interim report of the Company as at 30 September 2013, which is HK\$726,660,000;
- 1.10 the Company having complied fully with the obligations and otherwise having performed all of the covenants and agreements required to be performed by it under the Subscription Agreement;
- 1.11 the ownership of the Relevant Intellectual Properties having been transferred from the original owners to the Company or any Member of the Group free of charge; the effective registration of change of ownership having been completed under the local laws of the relevant place of registration of the Relevant Intellectual Properties so that the Relevant Intellectual Properties shall be legally and validly owned by the Company or any Member of the Group after such registration of change; if, on the Completion Date, the ownership of any Relevant Intellectual Properties have not been transferred to the Company or a Member of the Group, the owners of such Relevant Intellectual Properties shall have signed a valid and legally binding agreement (in the form and substance acceptable to the Subscriber) unconditionally allowing the Company and any Member of the Group to use such Relevant Intellectual Properties within the valid term of such Relevant Intellectual Properties until the completion of any registration matters in relation to the aforementioned transfer of the Relevant Intellectual Properties;
- 1.12 except the matters disclosed, there having been no changes, events, circumstances or other matters that the Subscriber found to have, either individually or in the aggregate, a material adverse effect on the business, operations or financial conditions of any Member of the Group or the ability of the Company to perform its obligations under the Subscription Agreement from the date of the Subscription Agreement;

- 1.13 no order, statute, regulation or decision which would limit, prohibit or invalidate the transactions contemplated under the Subscription Agreement having been proposed, enacted or taken by any governmental or regulatory authority in any jurisdiction;
- 1.14 no litigation or proceedings, pending or threatened by any third parties, which would limit or prohibit the transactions contemplated under the Subscription Agreement or which would seek to declare the contemplated transactions as illegal or which seek substantial compensation or damages for losses arising from such transactions having been proposed, instituted or taken by any courts or governmental authority in any jurisdiction;
- 1.15 all consents and approvals (if any) which are necessary or which the Subscriber has been advised that it is necessary to obtain in connection with the Subscription having been granted by third parties in the form and substance satisfactory to the Subscriber and the consents and approvals shall not be subject to any condition that has neither been satisfied nor waived by the Subscriber and remained fully effective;
- 1.16 the Subscriber having received a legal opinion as to the laws of the Cayman Islands, which is satisfactory to the Subscriber in all respects, to prove that the Company is duly incorporated and validly existing under the laws of the Cayman Islands and has the authority to enter into the Subscription Agreement and any other documents required to be executed by it under the Subscription Agreement; and
- 1.17 the Subscriber having received from the PRC lawyer of the Company (of which shall be acceptable to the Subscriber) a legal opinion as to the laws of the PRC in relation to its satisfaction in all respects about the due incorporation and legitimate existence of each of the Members of the Group in the PRC and its ability and right to conduct the existing business and its legal ownership in its Properties and intellectual properties according to the laws of the PRC.

The Subscriber may at any time by notice in writing to the Company waive all or any Conditions excluding the Conditions 1.2, 1.3(a), 1.4, 1.6 and 1.13 above. In the event that the Subscriber waives the satisfaction of the Conditions 1.3(b) or 1.5 above and elects to proceed with the Subscription, the Subscriber will comply with all the requirements under the Takeovers Code including but not limited to the making of a general offer as required under Rule 26.1 of the Takeovers Code.

The Company shall use its best endeavor to ensure the satisfaction of the Conditions (excluding the Conditions 1.1, 1.4, and 1.5 above) on or before 31 May 2014 (or such later date as agreed between the Company and the Subscriber). Reference is made to the announcement of the Company dated 24 March 2014 that the auditors of the Company have been changed to KPMG and therefore, Condition 1.8 has been fulfilled as at the date of this announcement.

2. *Completion*

Completion shall take place on (i) the fifth Business Day (in the event the Conditions 1.3(b) and 1.5 above are satisfied and the Subscriber is not required to make a mandatory general offer); or (ii) the tenth Business Day (in the event the Conditions 1.3(b) and/or 1.5 above are not satisfied and the Subscriber elects to waive the relevant Condition(s) and agree to make a mandatory general offer after Completion); in each case from the date on which all the Conditions are, satisfied or waived or such later date as the Company and the Subscriber may agree in writing.

3. *Limitation of liability for breach of the Warranties*

The Company's obligations as to liability and indemnity for breach of the Warranties shall terminate after 31 December 2015. The Company shall be liable to indemnify for any loss arising from any breach of the Warranties on or before 31 December 2015 in the event all losses for breach of Warranties, if aggregated, exceeds HK\$10,000,000 (but the Company shall not be liable to indemnify or be liable for an individual claim of HK\$1,000,000 or less or any matters as otherwise agreed between the Company and the Subscriber).

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully-paid, will rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

Specific Mandate

An ordinary resolution will be proposed at the EGM to seek, among other things, the Specific Mandate from the Independent Shareholders for the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately after Completion (assuming there is no change in the total number of issued shares in the Company other than the allotment and issue of the Subscription Shares since the date of the Subscription Agreement and up to Completion):

	As at the date of this announcement		Upon completion of the Subscription	
	Number of Shares	%	Number of Shares	%
The Subscriber and parties acting in concert with it:				
– the Subscriber	–	–	1,000,000,000	51.56%
– CDIB Capital (<i>Note 1</i>)	14,000,000	1.49%	14,000,000	0.72%
	14,000,000	1.49%	1,014,000,000	52.28%
Mr. FAN and parties acting in concert with him (<i>Note 2</i>)	363,366,000	38.68%	363,366,000	18.74%
China Environment Fund III, L.P. (<i>Note 3</i>)	96,731,000	10.30%	96,731,000	4.99%
Other Public Shareholders	465,222,694	49.53%	465,222,694	23.99%
Total	939,319,694	100.00%	1,939,319,694	100.00%

Note 1: CDIB Capital is an Affiliate of the Subscriber's Financial Adviser.

Note 2: Mr. FAN and parties acting in concert with him are taken to be interested in the aggregate of 363,366,000 Shares, of which 600,000 Shares are held by Mr. FAN; 10,668,000 Shares are held by Ms. WONG, who is the spouse of Mr. FAN; 336,400,000 Shares are held by Rightmass Agents Limited, which is wholly-owned by Mr. FAN; and 15,698,000 Shares are held by Charm Light International Limited, which is owned as to 35% by Ms. WONG.

Note 3: China Environment Fund III, L.P. will no longer be a substantial Shareholder upon the completion of the Subscription. As such, it will also be a public Shareholder then.

As at the date of this announcement, (i) there are 939,319,694 Shares of HK\$0.10 each in issue, of which 57,252,000 Shares are listed as Depositary Receipts on the Taiwan Stock Exchange; and (ii) there are outstanding share options granted under the Share Option Scheme which may be converted into 47,437,000 new Shares (assuming full conversion). Save as disclosed above, the Company has no other outstanding warrants, options or securities convertible into Shares as at the date of this announcement.

INFORMATION ON THE GROUP

The Company was incorporated and registered as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company acts as an investment holding company and has subsidiaries that are principally engaged in research, manufacture and trading of LED lighting products. Its Shares are listed on the Main Board of the Stock Exchange and certain Shares are listed as Depositary Receipts on Taiwan Stock Exchange.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of Tsinghua Tongfang. Tsinghua Tongfang is a company listed on The Shanghai Stock Exchange with stock code 600100. The major shareholder of Tsinghua Tongfang is Tsinghua Holding Co., Ltd. (清華控股有限公司), a wholly owned subsidiary of Tsinghua University. The principal activities of Tsinghua Tongfang are mainly divided into twelve core divisions including computer, smart pad, multi-media television, digitalized city, internet of things application, micro-electronics, knowledge network, digital communication & equipment, security system, semiconductor & illuminating, environment protection and energy saving. Tsinghua Tongfang has been listed to the “100 Top Scientific and Technological Enterprises of China (中國科技百強)” and “100 Top Chinese Enterprises in Electronic Information (中國電子信息百強)”.

The Subscriber and its ultimate beneficial owner are parties independent of the Company and the connected persons of the Company.

As at the date of this announcement, CDIB Capital, an Affiliate of the Subscriber’s Financial Adviser, holds 14,000,000 Shares, representing approximately 1.49% of the existing number of issued Shares.

As at the date of this announcement, save for the Subscription and disclosed above, none of the Subscriber or the parties acting in concert with it:

- (i) holds, controls or has direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (ii) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iii) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber, which might be material to the Subscription and the Whitewash Waiver, with any other persons;
- (iv) has any agreements or arrangements to which the Subscriber or any party acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription and the Whitewash Waiver; and

- (v) has received any irrevocable commitment to vote for or against the Subscription or the Whitewash Waiver.

Save for the entering into the Subscription Agreement, none of the Subscriber or parties acting in concert with it has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares, during the six months prior to the date of the announcement of the Company in relation to the LOI, i.e. 28 January 2014.

FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

The Subscriber intends to continue the principal business of the Group and (i) by leveraging on the experience and resources of the Subscriber (and its Affiliates), to further develop and expand its business scale of lighting products in the global LED lightings market and enhance its capability of acceptance and fulfilment of sales orders; (ii) to consolidate the resources in the upstream and downstream supply chains and strengthen the costs control so as to aim for the lowering of its production costs and enhancing the Group's profitability and competitive advantages; (iii) by leveraging on the experience and resources of the Subscriber (and its Affiliates) in the areas of multi-media television industry, computer industry, intelligent building industry and lighting industry, to enhance the application usage of its LED lighting products. This may involve any forms of cooperation between the Group and the Subscriber (and its Affiliates). As at the date of this announcement, no definitive proposals, terms or timetable have been determined for any such possible future transaction or arrangement. No agreements for any such possible future transactions or arrangements have been entered into and no discussions have been held. The Company will comply with all applicable requirements of the Listing Rules and/or the Takeovers Code as and when appropriate.

REASONS FOR THE SUBSCRIPTION

The Directors are of the view that the Subscription represents a valuable opportunity for the Group to bring in a solid strategic corporate investor which has extensive experience, strong expertise and a wide business network in the industry. The ultimate beneficial owner of the Subscriber, Tsinghua Tongfang, is a renowned high-tech enterprise in the PRC. It possesses the capabilities to manufacture upstream LED chips and wafers based on its 59 sets of MOCVD equipment. Furthermore, Tsinghua Tongfang has strong technical strength and global sales network in the related applications industries such as multi-media television industry, computer industry, intelligent building industry and energy saving industry. With its strong technical strength and wide business network, the introduction of Tsinghua Tongfang as a strategic investor of the Group can support the rapid development and expansion of the Group's businesses, enhance the corporate governance of the Group with the implementation of regulated management system used by Tsinghua Tongfang, and to allow greater room for the Group's diversification in business structure in the future. The Directors consider that entering into the Subscription Agreement represents a good opportunity to (i) raise a substantial amount of additional funds for the Company; (ii) improve the financial position and liquidity of the Group; and (iii) provide the Company with the financial flexibility necessary for the Group's future business development and the capability to capture any prospective investment opportunity as and when it arises. The Directors are confident that the Subscriber will bring in additional resources and investment opportunities to the Company which are beneficial to the Company and the Shareholders as a whole. The Directors (excluding the members of the Independent Board Committee, who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting) are therefore of the view that the Subscription is in the interest of the Company and the Shareholders as a whole.

CHANGE OF DIRECTORS

All the Directors, except Mr. Fan and other Directors whom may be retained by the Subscriber, will resign from the Board with effect from (i) the Completion Date; or (ii) the earliest date permitted by the SFC according to the Takeovers Code, whichever is later. As such, the Board will comprise nine Directors, including (i) four executive Directors nominated by the Subscriber, one of which will be appointed as the chairman of the Board; (ii) one retained executive Director, namely Mr. Fan; (iii) one non-executive Director nominated by the Subscriber; and (iv) three independent non-executive Directors.

USE OF PROCEEDS

The gross proceeds from the Subscription would amount to HK\$900,000,000. The net proceeds, after taken into account the estimated expenses in relation to the Subscription, would be approximately HK\$896.80 million, representing a net price of approximately HK\$0.897 per Subscription Share. It is intended that the net proceeds would be used as working capital of the Group as to approximately two-third of the net proceeds to fund the future development and expansion of the business scale of lighting products in the PRC and global LED lightings market so as to grasp the opportunities brought by the rapid growth of the LED market, and as to approximately one-third of the net proceeds for potential investment/acquisition opportunities in the future. However, as at the date of this announcement, there is no specific acquisition target identified by the Subscriber.

NO FUND RAISING EXERCISE FOR THE PAST 12 MONTHS

Save for the Subscription, the Company did not undertake any equity fund raising exercise in the past 12 months immediately prior to the date of this announcement.

APPLICATION FOR WHITEWASH WAIVER

Immediately after Completion, the Subscriber and parties acting in concert with it will in aggregate be interested in 1,014,000,000 Shares, representing approximately 108.0% of the existing number of issued Shares and approximately 52.3% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the total number of issued Shares other than the allotment and issue of the Subscription Shares since the date of the Subscription Agreement and up to Completion). Under Rule 26.1 of the Takeovers Code, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it unless the Whitewash Waiver is obtained from the Executive. The Subscriber will make an application to the Executive for the Whitewash Waiver in respect of the allotment and issue of the Subscription Shares. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the EGM by way of a poll.

If the Whitewash Waiver is granted by the Executive and is approved by the Independent Shareholders and Completion having taken place, the aggregate shareholding of the Subscriber and parties acting in concert with it in the Company will exceed 50% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscriber may further increase its shareholdings in the Company without incurring any further obligation to make a general offer under Rule 26 of the Takeovers Code.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. Further announcement will be made by the Company once the independent financial adviser has been appointed in accordance with Rule 2.1 of the Takeovers Code.

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the Subscription Agreement and the transactions contemplated thereunder (including the Specific Mandate); and (ii) the Whitewash Waiver. The voting in relation to the Subscription Agreement and the Whitewash Waiver at the EGM will be conducted by way of a poll whereby, (a) the Subscriber, its associates and the parties acting in concert with it and other Shareholders who have a material interest in the Subscription shall abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Subscription Agreement (including the Specific Mandate); and (b) the Subscriber, its associates and the parties acting in concert with it and other Shareholders who are interested or involved in the Subscription and the Whitewash Waiver shall abstain from voting on the relevant ordinary resolutions to be proposed at the EGM to approve the Whitewash Waiver. Save for the 14,000,000 Shares owned by CDIB Capital, the Subscriber and parties acting in concert with it do not hold any Shares. As at the date of this announcement, the Directors take the view that, save as CDIB Capital, no Shareholder is required to abstain from voting on any of the ordinary resolutions to be proposed at the EGM in respect of the Subscription and the Whitewash Waiver as none of them falls within the description set out in categories (a) or (b) above.

An application will be made to the Stock Exchange by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Circular containing, among other things, details of the Subscription and the Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting and the notice of EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

DEALING DISCLOSURE

As required under Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of the Company (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code)) are reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

Reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code in accordance with Rule 3.8 of the Takeovers Code.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 20 March 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 26 March 2014.

Warnings: the Subscription is subject to the fulfilment or waiver (as the case may be) of a number of Conditions, including approval of the Subscription and the Whitewash Waiver by the Independent Shareholders at the EGM, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Affiliate(s)”	in respect of any specific person, means any other person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified person
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	any day on which banks in Hong Kong are open for business (except Saturday and Sunday)
“CDIB Capital”	CDIB Capital Investment II Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of China Development Financial Holding Corporation, a listed company on the Taiwan Stock Exchange. It is principally engaged in investment holding and venture capital investment
“Circular”	the circular to be issued by the Company in relation to the Subscription Agreement and the Whitewash Waiver, together with notice of the EGM to the Shareholders
“Company”	Neo-Neon Holdings Limited (Stock Code: 1868), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	(i) the fifth Business Day (in the event the Conditions 1.3(b) and 1.5 as set out in the section headed “Conditions Precedent” in this announcement are satisfied and the Subscriber is not required to make a mandatory general offer); or (ii) the tenth Business Day (in the event the Conditions 1.3(b) and/or 1.5 as set out in the section headed “Conditions Precedent” in this announcement are not satisfied and the Subscriber elects to waive the relevant Condition(s) and agree to make a mandatory general offer after Completion); in each case from the date on which all the Conditions are satisfied or waived or such later date as the Company and the Subscriber may agree in writing
“Condition(s)”	the condition(s) precedent of the Subscription as included in the section headed “Conditions Precedent” in this announcement

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Control”	means in relation to an undertaking: <ul style="list-style-type: none"> (a) the power to direct the exercise of a majority of the voting rights capable of being exercised at a general meeting of that undertaking; (b) the right to appoint or remove a majority of the board of directors (or corresponding officers) of that undertakings; or (c) the right to exercise a dominant influence over that undertaking by virtue of provisions contained in its constitutional documents or under a control contract or otherwise. <p>In each case either directly or indirectly and “Controlled” and “Controlling” shall be construed accordingly</p>
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve, among other things, the Subscription and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and each of its Subsidiaries, “Member(s) of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee, comprising all the non-executive Directors, namely Mr. WONG Kon Man, Jason, Mr. WENG Shih Yuan, Ms. LIU Shengping and Mr. SUEN Man Tak, Stephen, to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver and as to voting and whether the entering into of the Subscription Agreement is in the interest of the Shareholders as whole

“Independent Shareholders”	(i) as regards the Subscription Agreement (including the Specific Mandate), Shareholders other than the Subscriber, its associates and the parties acting in concert with it and other Shareholders who have a material interest in the Subscription; or (ii) as regards the Whitewash Waiver, Shareholders other than the Subscriber, its associates and the parties acting in concert with it and other Shareholders who are interested or involved in the Subscription and the Whitewash Waiver
“KPMG”	KPMG, the newly appointed auditors of the Company on 24 March 2014
“Last Trading Day”	19 March 2014, being the last trading day for the Shares before the entering into of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the non-legally binding letter of intent entered into between the Company and the Subscriber on 27 January 2014 in respect of the Subscription
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM, which excludes the options market and which continues to be operated by the Stock Exchange in parallel with GEM and which, for avoidance of doubt, excludes GEM
“Management Accounts”	the consolidated financial statements of the Group as at 31 December 2013 (which includes the consolidated statement of financial position as at 31 December 2013, and each of the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period from 1 April 2013 to 31 December 2013)
“MOCVD”	Metal Organic Chemical Vapor Deposition
“Mr. FAN”	Mr. Ben Fan, an executive Director and the Chairman of the Company, and a substantial Shareholder
“Ms. WONG”	Ms. Michelle Wong, an executive Director and a substantial Shareholder
“PRC”	the People’s Republic of China
“Properties”	all the buildings and lands owned by the Group (include the land use rights) including without limitation the buildings and lands owned or leased by the Company as reflected in its financial statements

“Relevant Intellectual Properties”	the intellectual property which are or may be used by the Group and are owned by or under the name of Mr. FAN, Ms. WONG or any other persons (whether an individual or a corporate), or any intellectual property in the process of applications
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) with par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to the Shareholders’ resolutions passed on 20 November 2006
“Specific Mandate”	the specific mandate to be sought from Independent Shareholders at the EGM to allot and issue the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	THTF Energy-Saving Holdings Limited, a company incorporated in the Cayman Islands which is an indirect wholly-owned subsidiary of Tsinghua Tongfang
“Subscriber’s Financial Adviser”	KGI Capital Asia Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), which has been appointed as the financial adviser to the Subscriber in connection with the Subscription
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 19 March 2014 and entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	the share subscription price of HK\$0.90 per Subscription Share
“Subscription Share(s)”	1,000,000,000 new ordinary shares of the Company with par value of HK\$0.1 each to be subscribed by the Subscriber pursuant to the Subscription Agreement
“Subsidiary” or “Subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)
“Tsinghua Tongfang”	Tsinghua Tongfang Co., Ltd., (同方股份有限公司), a listed company on The Shanghai Stock Exchange with stock code 600100

“Warranties”	include warranty, description, indemnity and guarantee given and made by the Company and contained in the Subscription Agreement
“Whitewash Waiver”	the waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber and the parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which might otherwise arise as a result of the Subscription pursuant to the Subscription Agreement
“%”	per cent

By order of the board of
Neo-Neon Holdings Limited
Chan Cheung
Company Secretary

By order of the board of
THTF Energy-Saving Holdings Limited
Lu Zhi Cheng
Director

Hong Kong, 25 March 2014

As at the date of this announcement, the executive Directors are Mr. FAN (Chairman), Ms. WONG and Mr. FAN Pong Yang and the independent non-executive Directors are Mr. WONG Kon Man, Jason, Mr. WENG Shih Yuan, Ms. LIU Shengping and Mr. SUEN Man Tak, Stephen.

As at the date of this announcement, there are three directors of the Subscriber namely Mr. LU Zhi Cheng, Mr. FAN Xin and Mr. PAN Jin. As at the date of this announcement, there are seven directors of Tsinghua Tongfang, namely Mr. LU Zhi Cheng, Mr. ZHOU Liye, Mr. FAN Xin, Mr. TONG Libin, Mr. PAN Xiaojang, Ms. YANG Li and Ms. ZUO Xiaolei.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscriber and the parties acting in concert with it) contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber and the parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of the Subscriber and Tsinghua Tongfang jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than opinions expressed by the Group) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.