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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions.

Further to the profit warning announcement dated 14 March 2014 issued by the Company, the Board wishes to inform the Shareholders and potential investors that, based on the information currently available (including the Group's unaudited management accounts for the 12 months ended 31 March 2014 (preliminary figures)), the Group is expected to record a substantial consolidated loss attributable to owners of the Company for the year ended 31 March 2014 more than the audited consolidated loss of approximately HK\$624 million for the year ended 31 March 2013.

Shareholders and potential investors should note that the April Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the April Statement in assessing the merits and demerits of the Proposed Issue of Subscription Shares as disclosed in the Announcements and/or when dealing in the Shares.

This announcement is made by Neo-Neon Holdings Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"). References are made to the announcements of the Company dated 28 January 2014, 28 February 2014 and 25 March 2014 (the "**Announcements**") in relation to the LOI and the Proposed Subscription.

Unless the context requires otherwise, capitalised terms used herein have the same meanings as those defined in the announcement of the Company dated 25 March 2014.

Further to the profit warning announcement dated 14 March 2014 issued by the Company, the board (the "**Board**") of directors of the Company wishes to inform the Shareholders and potential investors that, based on the information currently available (including the Group's unaudited management accounts for the 12 months ended 31 March 2014 (preliminary figures)), the Group is expected to record a substantial consolidated loss attributable to owners of the Company for the year ended 31 March 2014 more than the audited consolidated loss of approximately HK\$624 million for the year ended 31 March 2013 (the "**April Statement**").

The Board considers that the consolidated loss recorded for the year ended 31 March 2014 is mainly due to the fact that (i) gross margin has shrank due to the surging labour costs and operating expenses; and (ii) adjustments to and provisions for slowing moving and obsolete stock and long overdue account receivable have been made in light of the worsening economic conditions.

The Company has not finalised the annual results of the Group for the year ended 31 March 2014. The information and data contained in this announcement represents only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group, which have not been audited by the Company's independent auditors. Shareholders of the Company and potential investors are advised to refer to the final results of the Group for the year ended 31 March 2014, which is expected to be published by the Company on or before 30 June 2014.

With the publication of the Announcements, the offer period has commenced since 28 January 2014. Pursuant to Rule 10 of the Takeovers Code, the April Statement (which supercedes the statements contained in the profit warning announcement dated 14 March 2014 issued by the Company) constitutes a profit forecast and must be reported on by the Company's financial advisers and auditors or consultant accountants (the "**New Profit Forecast Reports**") under Rule 10.4 of the Takeovers Code. Taking into account (i) the practical difficulties to include the New Profit Forecast Reports in this announcement in terms of the additional time required for the preparation of the New Profit Forecast Reports by the Company's financial advisers and auditors or consultant accountants; and (ii) the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and Part XIVA of the SFO, the New Profit Forecast Reports have not been prepared as required under Rule 10 of the Takeovers Code. The April Statement will be reported on in compliance with the requirements of the Takeovers Code as soon as practicable and the New Profit Forecast Reports will be contained in the relevant circular in relation to the Proposed Subscription, if materializes, to be despatched to the Shareholders under the Takeovers Code.

Shareholders and potential investors shall be aware that as at the date of this announcement, there is no assurance that the Proposed Issue of Subscription Shares mentioned in the Announcements will eventually be consummated. The Proposed Issue of Subscription Shares may or may not proceed. Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

Shareholders and potential investors should note that the April Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the April Statement in assessing the merits and demerits of the Proposed Issue of Subscription Shares as disclosed in the Announcements and/or when dealing in the Shares.

By order of the Board
Neo-Neon Holdings Limited
Ben FAN
Chairman

Hong Kong, 17 April 2014

As at the date of this announcement, the executive directors of the Company are Mr. Ben FAN, Ms. Michelle WONG and Mr. FAN Pong Yang and the independent non-executive directors of the Company are Mr. WONG Kon Man, Jason, Mr. WENG Shih Yuan, Ms. LIU Shengping and Mr. Suen Man Tak, Stephen.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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.