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NVC LIGHTING HOLDING LIMITED
雷士照明控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2222)

ANNOUNCEMENT

This announcement is made by NVC Lighting Holding Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the 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 of the Company (the “Board”) refers to its earlier announcements dated 8 August 2014 and 14 August 2014, and provides a further update below.

Establishment of Operations Sub-Committee

In order to strengthen the day-to-day running of the Company, to ensure its continued smooth operations and to improve management oversight and control of the Company’s operations, the Company has established an operations sub-committee, consisting of senior management of the Company and distributors, including Wang Donglei, Wang Xiaobo, Xiao Yu, Xiong Jie, Tan Ying, Xu Fengyun, Rao Xiaolian, Hong Xiaosong, Guo Zhaofen, Zhang Yang, Hua Yong and Yue Qiang.

This operations sub-committee will assist the Board in overseeing the daily operations of the Company, including liaising with suppliers and distributors of the Company, and to help manage the Company’s manufacturing and production operations. The Board currently expects the operations sub-committee to be established for an initial period of 30-60 days, after which the Board will review the status of the sub-committee.

Establishment of Independent Investigations Committee

The Company had noted in its earlier announcements that it was investigating the potential impact arising from the alleged wrongdoing of its former chief executive

officer and executive director Mr Wu Changjiang (“Mr Wu”), and the former vice presidents of the Company removed by the Board on 8 August 2014.

To help progress these investigations, the Board has established an independent investigations committee, comprising independent non-executive directors Mr Lee Kong Wai, Conway, Mr Wei Hongxiong and Mr Wang Xuexian, and non-executive director Mr Lin Ho-Ping (the “Independent Investigations Committee”).

The Independent Investigations Committee has been authorised by the Board to exercise powers and perform duties on behalf of the Board in relation to the conduct of the Company’s internal investigations into the alleged wrongdoing of Mr Wu and the other former vice presidents of the Company, Mr Wu Changyong and Mr Wang Minghua. The Independent Investigations Committee has also been authorised to consider and make recommendations to the Board with respect to any potential proceedings arising from the internal investigations.

Update on Status of the Internal Investigations

In addition to taking steps to strengthen the day-to-day operations of the Company, the Board is also committed to progressing its investigations into the alleged wrongdoing mentioned above.

The Company has set out below a number of updates regarding the progress of these investigations.

Use of the Company’s Funds

The Company’s ongoing investigations have indicated that certain funds of the Company may have been allegedly misused by Mr Wu, through the entering into of certain bank facility arrangements by companies associated with Mr Wu, and purportedly guaranteed by a subsidiary of the Company.

In particular, the ongoing investigation has indicated that NVC Lighting (China) Co., Ltd. (雷士照明(中國)有限公司) (“NVC China”), a wholly-owned subsidiary of the Company, is purportedly the guarantor of three bank loans, as further described below, which were entered into between companies associated with Mr Wu, and a bank in Chongqing. Details of these loan agreements are set out below:

1. A RMB10 million loan agreement dated 29 November 2013, entered into between a bank in Chongqing and Chongqing En Wei Xi Industrial Co., Ltd. (重慶恩維西實業有限公司) (“En Wei Xi”), for a term of 12 months. Mr Wu, purportedly on behalf of NVC China, entered into an agreement with this bank on the same date to guarantee the above loan, with security provided in the form of a deposit in a separate guarantee account.
2. A RMB84.6 million loan agreement dated 3 December 2013, entered into between a bank in Chongqing and Chongqing Lei Li Jie Industrial Development Co., Ltd. (重慶雷立捷實業發展有限公司) (“Lei Li Jie”), for a term of 12 months. Mr Wu, purportedly on behalf of NVC China, entered into an agreement with this bank on the

same date to guarantee the above loan, with security provided in the form of a deposit in a separate guarantee account.

3. A RMB69 million loan agreement dated 18 July 2014, entered into between a bank in Chongqing and Lei Li Jie, for a term of 6 months. Mr Wu, purportedly on behalf of NVC China, entered into an agreement with this bank on the same date to guarantee the above loan, with security provided in the form of a deposit in a separate guarantee account.

4. Mr Wu, purportedly on behalf of NVC China, also entered into a guarantee charge agreement with the bank in Chongqing on 18 July 2014, stating that NVC China would not, prior to the repayment of the respective loans above, request a withdrawal or return of the guarantee amount, totalling RMB173 million, without the written consent of the bank.

In addition, the Company's investigations to date indicate that the Chongqing bank has recently been informed by En Wei Xi and Lei Li Jie that they will not repay the loans referred to in 1 to 3 above, and that the Chongqing bank is taking legal action to seek to allow it to exercise the guarantee against NVC China, on the basis that the borrowers are unable to repay the money. The Company is continuing its investigations into the above, and is currently also considering its options.

The Company would like to emphasize that the entering into of the above loan agreements, and guarantees purportedly given by NVC China, were not carried out with the knowledge of the current Board of the Company. In addition, in January 2014 and in mid-2014, when the Company was asking for bank confirmation, the relevant bank failed to disclose the guarantees purportedly entered into on 29 November 2013 and 3 December 2013 to the Company.

The Company believes that En Wei Xi and Lei Li Jie are associated with Mr Wu, and notes that Mr Wu signed the agreements mentioned in 1 to 4 above, purportedly on behalf of NVC China. The Company is seeking legal advice in relation to the legal implications (including any criminal implications) arising from Mr Wu's actions above, and is also considering possible legal actions which may be taken by NVC China and the Company in order to protect their interests.

In addition, the Company's ongoing investigations suggest that there may have been other similar arrangements entered into by Mr Wu, purportedly on behalf of the Company's subsidiaries, with other Chinese banks, which may have involved misuse of the Company's funds. The Company is encountering difficulties in obtaining information from the relevant banks, but investigations are continuing and the Company will update shareholders in due course.

Involvement of Hua Long Ying Ke

The Company's investigations to date suggest that Mr Wu and Mr Wu Changyong, who were at the relevant time directors of Huizhou NVC Lighting Technology Co., Ltd (*Huizhou NVC*, a wholly owned subsidiary of the Company), may have colluded with a third-party company, named Hua Long Ying Ke, to damage Huizhou NVC's interests. Investigations are still ongoing – in particular, the Company is seeking to obtain relevant records from Huizhou NVC and to ascertain the ultimate owner of

Hua Long Ying Ke – and will provide updates in relation to this matter, as additional findings become available.

Estimated Timeline of Ongoing Investigations

As noted above, the Company is pushing ahead with its internal investigations. The Company believes that these investigations will be assisted by the setting up of the Independent Investigations Committee. In addition, the Company is continuing its efforts to obtain full effective control over its operations in the PRC, which will enable it to expedite the current investigations into the wrongdoing committed by its former director and senior management. Concurrently, the Company is carrying out further reviews and audits of its internal records, in order to assess the full impact of the wrongdoing mentioned above.

Based on the status of the ongoing investigations, as well as the anticipated progress of the investigation in the weeks to come, the Company estimates that it will be in a position to conclude a significant portion of its internal investigations within around one to two months. The Company will make further announcements as the investigation progresses, and when significant updates are available.

The Company emphasizes that its investigations are ongoing, and that additional or different findings may be made in the course of the continuing investigations which may impact on the contents of this announcement. Accordingly, shareholders should consider this announcement in light of this fact.

Suspension of Trading

Trading in the shares of the Company was suspended with effect from 9:00 a.m. on 11 August 2014 and will remain suspended until further announcements in relation to inside information of the Company.

By Order of the Board

NVC LIGHTING HOLDING LIMITED

Wang Donglei

Chairman

Hong Kong, 10 September 2014

As at the date of this announcement, the Board consists of the following directors:

Executive Directors:

WANG Dongming

XIAO Yu

XIONG Jie

Non-executive Directors:

LIN Ho-Ping
ZHU Hai
WANG Donglei
LI Wei

Independent Non-executive Directors:

WANG Jinsui
LEE Kong Wai, Conway
WU Ling
WANG Xuexian
WEI Hongxiong