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雷士照明控股有限公司

NVC LIGHTING HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2222)

ANNOUNCEMENT

CONNECTED TRANSACTIONS

The Board refers to the announcement of the Company dated 13 May 2015, in relation to (among other things) certain sales arrangements from 2009 to 2013, involving Shang Yang as agent, selling the Group's professional engineering products for large-scale projects in Chongqing. All capitalized terms herein are defined at the end of this announcement.

The Company is making this announcement in relation to: (1) updates relating to the Shang Yang Sales Arrangement; and (2) the Lighting Project Contract.

SHANG YANG SALES ARRANGEMENT

The Company wishes to update its shareholders about the following additional agreements and arrangement, which form part of the same sales arrangement with Shang Yang (the *Shang Yang Sales Arrangement*) as the Company had previously announced in May 2015:

(1) A 2009 Sales Agreement, under which Huizhou NVC authorized Shang Yang to sell its professional engineering products for outdoor projects in Chongqing from 20 September 2009 to 19 September 2010.

(2) A 2010 Sales Agreement, under which Shang Yang agreed to sell products that it would purchase from Huizhou NVC for one year starting from 30 March 2010.

(3) Certain Credit Agreements, entered into by Huizhou NVC, Shang Yang and Wu Ping, for Huizhou NVC to (among other things) provide credit to Shang Yang.

(4) The Shang Yang Sales Arrangement also covered products supplied by Chongqing NVC, another subsidiary of the Company, to Shang Yang, although no written agreement of this arrangement between Chongqing NVC and Shang Yang has to-date

been located.

In the Company's announcement dated 13 May 2015, the Company noted that as at the date of the announcement, according to financial records obtained by Huizhou NVC, the aggregate purchases made by Shang Yang from Huizhou NVC amounted to approximately RMB48 million. The Company believes that this figure is still accurate. Huizhou NVC has taken legal action in the PRC to seek to recover around RMB13 million of outstanding liabilities arising from the Shang Yang Sales Arrangement. Shang Yang's position in those proceedings is that it is not liable to Huizhou NVC, and the legal action is still ongoing.

In addition, according to the financial records of Chongqing NVC, as at the date of this announcement, the aggregate purchases made by Shang Yang from Chongqing NVC under the Shang Yang Sales Arrangement amounted to approximately RMB3.86 million, and the outstanding liabilities of Shang Yang to Chongqing NVC under such arrangement still amount to approximately RMB3.73 million, plus interest.

THE LIGHTING PROJECT CONTRACT

Furthermore, the Board has recently become aware of the existence of the Lighting Project Contract dated December 2011, under which Chongqing Garden Department engaged Shang Yang and Huizhou NVC to install lighting decorations on a street in Chongqing and in various premises located therein. The duration of each piece of work under the contract was 90 calendar days from the date of written instruction to commence the work, and the total contract consideration was about RMB51 million. Having made all reasonable enquiries, the Board believes that the works contemplated by the Lighting Project Contract have all been completed.

CONNECTED TRANSACTIONS

As announced previously, Shang Yang was owned as to 48% by Ms. Wu Lian, Mr. Wu Changjiang's wife at the relevant time, from January 2009 to November 2014. Accordingly, at the time each transaction (as described above) under the Shang Yang Sales Arrangement and the Lighting Project was entered into, Shang Yang was an associate of Mr. Wu Changjiang and a connected person of the Company under the Listing Rules. The transactions under the above agreements and arrangement were therefore connected transactions of the Company at the relevant time.

SHANG YANG SALES ARRANGEMENT

The Board refers to the announcement of the Company dated 13 May 2015, in relation to (among other things) certain sales arrangements from 2009 to 2013, involving Shang Yang as agent, selling the Group's professional engineering products for

large-scale projects in Chongqing.

The Company wishes to update its shareholders about the following agreements and arrangement which form part of the same sales arrangement with Shang Yang as the Company had previously announced in May 2015:

(1) 2009 Sales Agreement

Date of entering into the agreement: Agreement is undated but it appears to have been entered into in 2009

Parties: Huizhou NVC and Shang Yang

Sales arrangement: Huizhou NVC authorises Shang Yang to sell its professional engineering products for outdoor projects in Chongqing. The initial sales target is RMB5 million.

Effective period: 20 September 2009 to 19 September 2010

(2) 2010 Sales Agreement

Date of entering into the agreement: 30 March 2010

Parties: Huizhou NVC and Shang Yang

Sales arrangement: Huizhou NVC authorises Shang Yang to sell its products, with the initial sales target set at RMB25 million. Huizhou NVC also agrees to provide Shang Yang with credit of RMB10 million, in connection with its promotion of Huizhou NVC's products.

Effective period: One year from 30 March 2010

The 2010 Sales Agreement also contains a guarantee agreement signed by Wu Ping, Huizhou NVC and Shang Yang on 30 March 2010. Under the guarantee, Wu Ping, who appears to be the authorized representative of Shang Yang, personally guarantees Shang Yang's liabilities to Huizhou NVC under related credit arrangements between Huizhou NVC and Shang Yang. The repayment period is two years from the expiry of the relevant repayment period or repayment date.

(3) Credit Agreements

In or around 2011, Huizhou NVC, Shang Yang and Wu Ping entered into four credit agreements which appear to form part of the Shang Yang Sales Arrangement, pursuant to which Huizhou NVC agreed to provide credit of certain amount to Shang

Yang in respect of Shang Yang's purchase of products from Huizhou NVC. Wu Ping, who appears to be the authorized representative of Shang Yang, agreed to personally guarantee Shang Yang's liabilities to Huizhou NVC under the above credit arrangement between Huizhou NVC and Shang Yang.

The principal terms of the Credit Agreements are set out below:

	Date of the Agreement	Credit Amount	Credit Term
Credit Agreement 1	Undated, but it appears to have been entered into in 2010/2011	RMB 8 million	From 1 January 2011 to 9 April 2011
Credit Agreement 2	30 March 2011	RMB 15 million	Within 180 days from the delivery of the relevant products.
Credit Agreement 3	29 April 2011	RMB 8.5 million	Within 90 days from the delivery of the relevant products.
Credit Agreement 4	Undated, but it appears to have been entered into in 2011	RMB 22 million	From 27 December 2011 to 26 December 2013

(4) Supply of products by Chongqing NVC to Shang Yang

The Shang Yang Sales Arrangement also covered products supplied by Chongqing NVC, another subsidiary of the Company, although no written agreement of the arrangement between Chongqing NVC and Shang Yang has to-date been located.

Value of the transactions under the Shang Yang Sales Arrangement

In the Company's announcement dated 13 May 2015, the Company noted that as at the date of the announcement, according to financial records obtained by Huizhou NVC, the aggregate purchases made by Shang Yang from Huizhou NVC under the Shang Yang Sales Arrangement amounted to approximately RMB48 million. The Company believes that this figure is still accurate. Huizhou NVC has taken legal action in the PRC to seek to recover around RMB13 million of outstanding liabilities

arising from the Shang Yang Sales Arrangement. Shang Yang's position in those proceedings is that it is not liable to Huizhou NVC, and the legal action is still ongoing.

In addition, according to the financial records of Chongqing NVC, as at the date of this announcement, the aggregate purchases made by Shang Yang from Chongqing NVC under the Shang Yang Sales Arrangement amounted to approximately RMB3.86 million, and the outstanding liabilities of Shang Yang to Chongqing NVC under such arrangement still amount to approximately RMB3.73 million, plus interest.

THE LIGHTING PROJECT CONTRACT

The Board has recently become aware of the existence of the Lighting Project Contract dated December 2011, the principal terms of which are set out below.

Principal Terms of the Lighting Project Contract

Time of entering into the agreement: In or around December 2011

Parties: Chongqing Garden Department, Shang Yang and Huizhou NVC

Project: Chongqing Garden Department authorises Shang Yang and Huizhou NVC to install lighting decorations on a street in Chongqing and in various premises located therein. The contract consideration was around RMB51 million.

Duration: For each piece of work, 90 calendar days from the date of written instruction to commence the relevant work.

THE BOARD'S VIEW ON THE SHANG YANG SALES ARRANGEMENT AND THE LIGHTING PROJECT CONTRACT

As announced previously, the Company's investigations have indicated that Shang Yang was owned as to 48% by Ms. Wu Lian, Mr. Wu Changjiang's wife at the relevant time, from January 2009 to November 2014. Accordingly, at the time each of the transactions (as described above) under the Shang Yang Sales Arrangement and the Lighting Project Contract was entered into, Shang Yang was an associate of Mr. Wu Changjiang and a connected person of the Company under the Listing Rules.

Mr. Wu Changjiang did not disclose to the then-directors of the Company that Shang Yang was a connected person of the Company, at the time each of the transactions (as described above) under the Shang Yang Sales Arrangement and the Lighting Project Contract was entered into. The Board only became aware that Shang Yang was a

connected person as a result of the Company's subsequent investigations.

In any event, the Board has no reason to believe that the transactions (as described above) under the Shang Yang Sales Arrangement and the Lighting Project Contract, at the time entered into, were not on normal commercial terms, fair and reasonable and/or in the interests of the Group and the shareholders of the Company as a whole.

Having made all reasonable enquiries, the Board is not aware of any further transactions with Shang Yang after the year 2013 and believes that the works contemplated by the Lighting Project Contract have all been completed.

INFORMATION ON THE COMPANY AND THE COUNTERPARTIES

The Company is a leading supplier of lighting products in China. It designs, develops, produces, markets and sells a variety of lighting products, with a strong focus on energy-saving products.

Huizhou NVC is incorporated in the PRC and is a wholly-owned subsidiary of the Company. Huizhou NVC is principally engaged in research, development, production and sales of lighting lamps, luminaire products, kitchen, bathroom and other household appliances, LED products, series of application and explosion-proof lamps and appliances as well as relevant accessories, comprehensive wiring and network equipment, etc.

Chongqing NVC is a wholly foreign-owned enterprise with limited liability incorporated in the PRC, and is a wholly-owned subsidiary of the Company. Chongqing NVC is principally engaged in research, development, production and sales of lighting lamps, luminaire products, kitchen, bathroom and other household appliances, LED products, etc., and related technical services.

Shang Yang is incorporated in the PRC and was owned as to 48% by Ms. Wu Lian, Mr. Wu Changjiang's wife at the relevant time, from January 2009 to November 2014. Accordingly, Shang Yang was an associate of Mr. Wu Changjiang and a connected person of the Company under the Listing Rules at the time each of the transactions (as described above) under the Shang Yang Sales Arrangement and the Lighting Project Contract was entered into. Shang Yang is principally engaged in design and installment of lighting projects and the sales of lighting equipment.

LISTING RULES IMPLICATIONS

Mr. Wu Changjiang was a Director at the time when each of the transactions (as described above) under the Shang Yang Sales Arrangement and the Lighting Project Contract was entered into. As a result, Mr. Wu Changjiang and his associates were at the material time connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions (as described above) under the Shang Yang Sales

Arrangement and the Lighting Project Contract constituted connected transactions of the Company under the Listing Rules when they were entered into.

As the highest of the applicable percentage ratios in respect of the Shang Yang Sales Arrangement and the Lighting Project Contract, respectively, was more than 0.1% but less than 5%, the transactions thereunder are subject to the reporting and announcement requirements, but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“2009 Sales Agreement”	the written sales agreement, which appears to have been entered into in 2009, between Huizhou NVC and Shang Yang, pursuant to which Huizhou NVC authorizes Shang Yang to sell its professional engineering products for outdoor projects in Chongqing
“2010 Sales Agreement”	the written sales agreement dated 30 March 2010 entered into between Huizhou NVC and Shang Yang, pursuant to which Huizhou NVC authorizes Shang Yang to sell its products
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the current board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement, shall not include Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan
“Chongqing Garden Department”	Municipal Department of Garden Management of South Bank District, Chongqing* (重慶市南岸區市政園林管理局)
“Chongqing NVC”	Chongqing NVC Lighting Co., Ltd.*, (重慶雷士照明有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC, and a wholly-owned subsidiary of the Company

“Company”	NVC Lighting Holding Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Credit Agreements”	four written agreements entered into by Huizhou NVC, Shang Yang and Wu Ping, in or around 2011, for Huizhou NVC to provide credit to Shang Yang, and for Wu Ping to personally guarantee Shang Yang’s liabilities owed to Huizhou NVC under such credit arrangements
“Director(s)”	the director(s) of the Company
“Huizhou NVC”	Huizhou NVC Lighting Technology Co., Ltd.*, (惠州雷士光電科技有限公司) a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Lighting Project Contract”	a written contract, entered into in or around December 2011, between Chongqing Garden Department, Shang Yang and Huizhou NVC to install lighting decorations on a street in Chongqing and in various premises located therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“Shang Yang”	Chongqing Shang Yang Lighting Engineering Co., Ltd.* (重慶尚陽照明工程有限公司), a limited liability company incorporated in the PRC and owned as to 48% by Ms. Wu Lian, Mr. Wu Changjiang’s wife from January 2009 to November 2014, and therefore a connected person of the Company at the relevant time
“Shang Yang Sales Arrangement”	sales arrangements from 2009 to 2013, under which Huizhou NVC and Chongqing NVC authorized Shang Yang, as their agent, to sell their products

** denotes English translation of the name of a Chinese company or entity and is provided for identification purposes only*

By Order of the Board

NVC LIGHTING HOLDING LIMITED

Wang Donglei

Chairman

Hong Kong, 13 January 2016

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

Executive Directors:

WANG Donglei

WANG Dongming

XIAO Yu

XIONG Jie

Non-executive Directors:

LIN Ho-Ping

ZHU Hai

LI Wei

Independent Non-executive Directors:

LEE Kong Wai, Conway

WU Ling

WANG Xuexian

WEI Hongxiong