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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

NOTIFIABLE AND CONNECTED TRANSACTION

ACQUISITION OF 75% EQUITY INTERESTS IN THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that the Company's wholly-owned subsidiary, NVC HK, has entered into the Equity Transfer Agreement with the Transferor, Gold Interact Investment Limited on 3 February 2016. Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 75% equity interest in the Target Company. As of the date of this announcement, Zhongshan NVC is a subsidiary of the Company in which the Company holds a 50% equity interest; the Target Company holds a series of international patents of New Age LED Semi-Conductor and the other 50% equity interest in Zhongshan NVC.

The total consideration for the Acquisition is determined to be RMB500,000,000. NVC HK will pay the consideration of RMB480,000,000 to the Transferor on the date of Completion and the remaining payable amount after receiving the audited net profit (after tax) of Zhongshan NVC for the year of 2015. Upon Completion, the Company will hold a 75% equity interest in the Target Company.

Completion is expected to take place on the fifth business day after all the conditions precedent to Completion have been fulfilled, but no later than 30 January 2017 or any other date as agreed by the parties.

LISTING RULES IMPLICATIONS

Since one or more of applicable percentage ratios for the Equity Transfer Agreement under the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction.

Prior to Completion, the Transferor holds a 50% equity interest in Zhongshan NVC through the Target Company, and the Company holds the other 50% equity interest in Zhongshan NVC through Huizhou NVC. Thus the Transferor is a substantial shareholder (as defined in the Listing Rules) of Zhongshan NVC and a connected person (as defined in the Listing Rules) of the Company at the subsidiary level, and the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Transferor is a connected person of the Company at the subsidiary level only; (ii) the Acquisition is conducted on normal commercial terms; (iii) the Board has approved the Acquisition; and (iv) the Directors, including the independent non-executive Directors, have confirmed that the terms of the Acquisition are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, and in the interests of the Company and its shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that the Company's wholly-owned subsidiary, NVC HK, has entered into an Equity Transfer Agreement with the Transferor on 3 February 2016. Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 75% equity interest in the Target Company. Upon Completion, the Company will hold a 75% equity interest in the Target Company which holds a 50% in Zhongshan NVC. The principal terms and conditions of the Equity Transfer Agreement are set out below:

EQUITY TRANSFER AGREEMENT

(1) Date

3 February 2016

(2) Parties

Transferee: NVC HK

Transferor: Gold Interact Investment Limited

(3) Assets to Be Acquired

Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 75% equity interest in Target Company. As of the date of this announcement, the Transferor holds a 50% equity interest in Zhongshan NVC through the Target Company and the Company holds the other 50% equity interest in Zhongshan NVC through Huizhou NVC. The Target Company also owns a series of international patents of New Age LED Semi-Conductor.

(4) Consideration and Payment

The consideration of the Acquisition is determined to be RMB500,000,000. The consideration will be paid in the following manner:

- (a) on the date of Completion, NVC HK will pay to the Transferor a sum of RMB480,000,000;
- (b) upon receipt of the audited net profit (after tax) of Zhongshan NVC for the year of 2015, NVC HK will pay the remaining amount.

The consideration is determined after arm's length negotiations between the parties and with reference to: (i) the intellectual properties owned by the Target Company and their future applications; and (ii) the profitability of Zhongshan NVC.

(5) Conditions Precedent

Completion is conditional upon the following conditions to be fulfilled:

- (a) The Transferor and the Transferee have obtained the shareholder and/or board approvals as required by the Listing Rules, articles of associations of the companies and other applicable laws and regulations regarding the Acquisition; and
- (b) All necessary approvals from competent authorities regarding the Acquisition have been obtained.

(6) Completion

Completion is expected to take place on the fifth business day after all the conditions precedent are fulfilled, but no later than 30 January 2017 or any other date as agreed by the parties.

Upon Completion, the Company will hold a 75% equity interest in the Target Company which holds a 50% equity interest in Zhongshan NVC.

INFORMATION ON THE PARTIES

The Company

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.

NVC HK

NVC HK is a company incorporated in Hong Kong with limited liability, which is mainly engaged in investment holding and marketing and sales of lighting products. NVC HK is a wholly-owned subsidiary of the Company.

The Transferor

Gold Interact Investment Limited is a company with limited liability incorporated in Hong Kong, which indirectly owns 100% equity interest in the Target Company and is engaged in investment holding. Gold Interact Investment Limited indirectly owns a 50% equity interest in Zhongshan NVC, and thus a connected person of the Company at the subsidiary level (as defined in the Listing Rules). Apart from its interest in Zhongshan NVC, the Transferor is otherwise an independent third party of the Company.

Target Company

LED Holdings Limited is a company with limited liability incorporated in Hong Kong on 17 November 2015, which is mainly engaged in investment holding, research and development of LED semi-conductor technologies and relevant applications. As of the date of this announcement, Target Company is a wholly owned subsidiary of the Transferor.

In accordance with management accounts of the Target Company, as of 31 December 2015, the Target Company's unaudited total assets were RMB18.15 million, the unaudited equity attributable to the equity holders was RMB75,572. For the year ended 31 December 2015, the Target Company's unaudited loss was RMB8,206.

Zhongshan NVC

Zhongshan NVC is a company with limited liability incorporated in the PRC on 26 January 2015. The scope of business of Zhongshan NVC consists of research, design, production, sales of lamps, electric accessories of lamps and other lighting and LED products. As of the date of this announcement, the Company holds 50% equity interest in Zhongshan NVC, and the other 50% equity interest is held by the Target Company.

In accordance with management accounts of Zhongshan NVC, as of 31 December 2015, Zhongshan NVC's unaudited total assets were RMB201.42 million, the unaudited equity attributable to the equity holders was RMB46.61 million. For the year ended 31 December 2015, Zhongshan NVC's unaudited profit before tax was RMB122.15 million and the unaudited profit after tax was RMB91.61 million.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board considers that the intellectual properties owned by the Target Company will benefit the Company in its technology upgrading and new products development, hence enhancing the Company's competitiveness, developing the international market of its products and improving of the Company's performance. In addition, as Zhongshan NVC is an important businesses operation unit and growth point of the Company, the Board considers that the Company will benefit from Zhongshan NVC's advantages in research, design, production, sales of lamps, electric accessories of lamps and other lighting and LED products through increasing shareholdings in Zhongshan NVC, which can in turn achieve greater economic efficiency and development potential.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition is on normal commercial terms and fair and reasonable, and the Transaction is in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Acquisition or is required to abstain from voting on the resolutions for the approval of the Acquisition.

LISTING RULES IMPLICATIONS

Since one or more of applicable percentage ratios for the Equity Transfer Agreement under the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction.

Prior to Completion, the Transferor holds 50% equity interest in Zhongshan NVC through the Target Company and the Company holds 50% equity interest in Zhongshan NVC through Huizhou NVC. Thus the Transferor will become a substantial shareholder (as defined in the Listing Rules) of Zhongshan NVC and a connected person (as defined in the Listing Rules) of the Company at the subsidiary level, and the Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Transferor is a connected person of the Company at the subsidiary level; (ii) the Acquisition is conducted on normal commercial terms; (iii) the Board has approved the Acquisition; and (iv) the Directors, including the independent non-executive Directors, have confirmed that the terms of the Acquisition are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, and in the interests of the Company and its shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless otherwise defined, the following terms shall have the following meanings:

“Acquisition”	the acquisition of a 75% equity interest in the Target Company by NVC HK pursuant to the Equity Transfer Agreement
“Board”	the board of directors of the Company
“Company”	NVC Lighting Holding Limited, a company incorporated in the British Virgin Islands on 2 March 2006 and subsequently redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the laws of the Cayman Islands
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the Equity Transfer Agreement, pursuant to which NVC HK agrees to acquire and the Transferor agrees to sell, 75% equity interest in Target Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou NVC”	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly-owned subsidiary of the Group that established Zhongshan NVC and holds 50% of the equity interest in Zhongshan NVC
“Target Company”	LED Holdings Limited, a company with limited liability incorporated in Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NVC HK” or “Transferee”	Hong Kong NVC Lighting Limited, a company with limited liability incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Transferor”	Gold Interact Investment Limited, a company holding 50% equity interest in Zhongshan NVC through the Target Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhongshan NVC”	Zhongshan NVC Decorative Lighting Technology Co., Ltd.* (中山雷士燈飾科技有限公司), a limited liability company incorporated in the PRC on 26 January 2015. 50% equity interest is held by Huizhou NVC, and the other 50% equity interest is held by an independent third party

* 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, 4 February 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