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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2015:

- The Group's revenue amounted to RMB3,845,650,000, representing an increase of 10.8% as compared with the Corresponding Period.
- The Group's gross profit amounted to RMB901,005,000, representing an increase of 21.5% as compared with the Corresponding Period.
- The Group's profit before income tax amounted to RMB203,088,000, as compared with the loss before income tax of RMB314,587,000 in the Corresponding Period.
- Profit attributable to owners of the parent amounted to RMB55,759,000, as compared with the loss of RMB354,153,000 in the Corresponding Period.
- Basic earnings per share of the Company amounted to RMB1.78 cents.
- The Board of the Company has proposed to declare final dividend of HK1 cent per share (equivalent to approximately RMB0.8 cent) (2014: Not to declare final dividend).

The board of directors (the "Board") of NVC Lighting Holding Limited (the "Company") is pleased to announce the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2015 (the "Reporting Period").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Years ended 31 December 2015 RMB'000	2014 RMB'000
REVENUE	2	**3,845,650**	3,471,014
Cost of sales		**(2,944,645)**	(2,729,438)
GROSS PROFIT		**901,005**	741,576
Other income and gains	3	**66,143**	64,449
Selling and distribution costs		**(371,754)**	(386,785)
Administrative expenses		**(369,916)**	(426,285)
Other expenses		**(14,386)**	(18,878)
Impairment loss of other receivables due from a company	4	**–**	(285,360)
Finance costs	5	**(5,567)**	(1,888)
Share of loss of associates		**(2,437)**	(1,416)
PROFIT/(LOSS) BEFORE INCOME TAX		**203,088**	(314,587)
Income tax expense	6	**(75,351)**	(13,481)
PROFIT/(LOSS) FOR THE YEAR		**127,737**	(328,068)
Attributable to:			
Owners of the parent		**55,759**	(354,153)
Non-controlling interests		**71,978**	26,085
		127,737	(328,068)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	7	**RMB1.78 cents**	RMB(11.32) cents
Diluted	7	**RMB1.78 cents**	RMB(11.32) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Years ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
PROFIT/(LOSS) FOR THE YEAR	**127,737**	(328,068)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**12,909**	(848)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**140,646**	(328,916)
Attributable to:		
Owners of the parent	**69,371**	(355,001)
Non-controlling interests	**71,275**	26,085
	140,646	(328,916)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2015 RMB'000	31 December 2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**738,143**	802,244
Prepaid land lease payments		**48,758**	54,647
Goodwill		**21,161**	21,161
Other intangible assets		**294,974**	295,644
Investments in associates		**26,430**	28,867
Deferred tax assets		**51,567**	63,491
Trade receivables with maturity more than one year	*10*	**13,856**	31,095
Prepayments for purchase of property, plant and equipment		**26,859**	7,697
Total non-current assets		**1,221,748**	1,304,846
CURRENT ASSETS			
Inventories	*9*	**495,450**	689,333
Trade and bills receivables	*10*	**1,189,914**	1,218,824
Prepayments, deposits and other receivables		**344,778**	342,140
Income tax recoverable		**7,998**	–
Other current assets		**16,515**	34,369
Restricted bank balances and short-term deposits		**660,307**	125,233
Cash and cash equivalents		**903,849**	796,694
		3,618,811	3,206,593
Assets of disposal group classified as held for sale		**27,005**	–
Total current assets		**3,645,816**	3,206,593
CURRENT LIABILITIES			
Trade and bills payables	*11*	**611,498**	598,055
Other payables and accruals		**483,032**	383,758
Interest-bearing loans and borrowings	*12*	**174,122**	40,948
Government grants		**2,034**	2,137
Income tax payable		**38,381**	18,828
		1,309,067	1,043,726
Liabilities of disposal group classified as held for sale		**4,704**	–
Total current liabilities		**1,313,771**	1,043,726
NET CURRENT ASSETS		**2,332,045**	2,162,867
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,553,793**	3,467,713

Continued／...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	31 December	
	2015	2014
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Government grants	**14,419**	15,152
Deferred tax liabilities	**83,345**	85,952
Total non-current liabilities	**97,764**	101,104
Net assets	**3,456,029**	3,366,609
EQUITY		
Equity attributable to owners of the parent		
Share capital	**2**	2
Reserves	**3,290,695**	3,247,460
Proposed final dividend	**26,210**	–
	3,316,907	3,247,462
Non-controlling interests	**139,122**	119,147
Total equity	**3,456,029**	3,366,609

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board, and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value. These consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

1.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2015. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.3 ADOPTION OF IFRSs AND DISCLOSURE REQUIREMENTS OF THE HONG KONG COMPANIES ORDINANCE

(a) Adoption of new/revised IFRSs – effective 1 January 2015

In the current year, the Group has applied, for the first time, the following new/revised IFRSs, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2015.

IFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
IFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

Except as explained below, the adoption of these amendments has no material impact on the Group's consolidated financial statements.

<u>Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle</u>
The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear.

1.3 ADOPTION OF IFRSs AND DISCLOSURE REQUIREMENTS OF THE HONG KONG COMPANIES ORDINANCE *(continued)*

(b) New/revised IFRSs that have been issued but are not yet effective

The following new/revised IFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

IFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[1]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IAS 27	Equity Method in Separate Financial Statements[1]
IFRS 9 (2014)	Financial Instruments[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[1]
IFRS 14	Regulatory Deferral Accounts[1]
IFRS 15	Revenue from Contracts with Customers[2]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018

<u>Amendments to IAS 1 – Disclosure Initiative</u>
The amendments are designed to encourage entities to use judgement in the application of IAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

<u>Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation</u>
The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

<u>Amendments to IAS 27 – Equity Method in Separate Financial Statements</u>
The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

<u>IFRS 9 (2014) – Financial Instruments</u>
IFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

IFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in IAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for derecognition of financial assets and financial liabilities.

1.3 ADOPTION OF IFRSs AND DISCLOSURE REQUIREMENTS OF THE HONG KONG COMPANIES ORDINANCE *(continued)*

(b) New/revised IFRSs that have been issued but are not yet effective *(continued)*

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by IFRS 12.

IFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 supersedes existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

IFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

IFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under IFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

(c) New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Company in this financial year.

The directors consider that there is no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the consolidated financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

For management purposes, the Group is organised into business units based on the products and services and has three reportable operating segments as follows:

(a) Luminaire products segment

Luminaire products represent a complete lighting unit that consists of a lighting fixture, a lamp (namely the light source such as a light bulb or tube) and a lighting electronic device. The luminaire products are sold as complete lighting units or units without lamps and lighting electronics, based on the needs of end customers;

(b) Lamp products segment

Lamp products represent a range of light bulbs and tubes for compact fluorescent lamps, HID lamps, fluorescent lamps, halogen lamps and LED lamps; and

(c) Lighting electronic products segment

Lighting electronic products represent electronic transformers, electronic and inductive ballasts for fluorescent, LED and HID lamps, and HID ballast boxes.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before income tax. The adjusted profit or loss before income tax is measured consistently with the Group's profit or loss before income tax except that interest income, finance costs, unallocated income and gains as well as head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Since total assets, liabilities and capital expenditures for each reportable segment are not regularly provided to the chief operating decision maker, the directors are of the opinion that the disclosure of such amounts is not necessary.

Segment information represents the revenue and results from external customers, detailed as below.

	Revenue years ended 31 December		**Results years ended 31 December**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Luminaire products	**2,588,368**	2,108,622	**671,651**	503,553
Lamp products	**1,040,485**	1,149,045	**187,808**	197,787
Lighting electronic products	**216,797**	213,347	**42,207**	43,726
Total	**3,845,650**	3,471,014	**901,666**	745,066
Reconciliation				
Elimination of intersegment results			**(661)**	(3,490)
Interest income			**18,487**	24,203
Unallocated income and gains			**47,656**	40,246
Corporate and other unallocated expenses			**(756,056)**	(1,117,308)
Finance costs			**(5,567)**	(1,888)
Share of loss of associates			**(2,437)**	(1,416)
Profit/(loss) before income tax			**203,088**	(314,587)

During the Reporting Period, depreciation and amortisation recorded in the consolidated statement of profit or loss amounted to RMB113,089,000 (2014: RMB125,059,000).

3. OTHER INCOME AND GAINS

	Years ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Other income		
Government grants	**25,880**	15,130
Trademark licence fees	**8,941**	14,337
Bank interest income	**16,216**	24,184
Other interest income	**2,271**	19
Rental income	**3,454**	1,934
Others	**5,229**	7,529
	61,991	63,133
Gains		
Gain on sale of scrap materials	**3,270**	1,316
Exchange gains, net	**882**	–
	4,152	1,316
	66,143	64,449

4. IMPAIRMENT LOSS OF OTHER RECEIVABLES DUE FROM A COMPANY

In 2014, impairment loss of other receivables due from a company refers to impairment of other receivables due from Wu Ji. As indicated in eight letters of counter guarantee ("Letters of Counter Guarantee") issued by Wu Ji with dates in 2013 and 2014, Wu Ji provided certain counter guarantees to NVC China to reimburse its any losses arising from various pledge and guarantee agreements entered into by the former Chief Executive Officer of the Company, Mr. WU Changjiang, on behalf of NVC China. Hence, an aggregate amount of RMB550,924,000 had been recognised as other receivables due from Wu Ji as at 31 December 2014, out of which a provision of RMB285,360,000 had been made and recorded as impairment loss of other receivables due from a company at 31 December 2014. No additional provision has been made for the impairment loss of other receivables due from Wu Ji for the year ended 31 December 2015. Accordingly, the provision remained at RMB285,360,000 as at 31 December 2015.

5. FINANCE COSTS

	Years ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Interest on bank loans	**5,567**	1,281
Other interest expenses	**–**	607
	5,567	1,888

6. INCOME TAX EXPENSE

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which most of the companies within the Group are domiciled and operated. NVC Brasil is subject to enterprise income tax ("EIT") on its worldwide income with a basic rate of 15% and increased by a surtax of 10% on annual taxable profits exceeding BRL240,000. No provision for Hong Kong profits tax or United Kingdom ("UK") corporation income tax has been made as the Group had no assessable profits arising in Hong Kong or UK during the Reporting Period (2014: Nil).

The Company's subsidiaries located in the PRC are subject to EIT at the statutory tax rate of 25%. According to the preferential tax policies in the PRC, two of our subsidiaries, Chongqing NVC and NVC China, were recognised as western development enterprises by the local tax authorities and are entitled to the preferential tax rate of 15%, while three of our subsidiaries, Jiangshan Phoebus, Sunny and Shanghai Arcata, were recognised as high-tech enterprises by PRC tax authorities and were entitled to the preferential tax rate of 15%. The table below sets out the applicable tax rates for the Group's PRC subsidiaries:

	2015	2014
Huizhou NVC	**25.0%**	25.0%
Chongqing NVC	**15.0%**	15.0%
Zhejiang NVC	**25.0%**	25.0%
Jiangshan Phoebus	**15.0%**	15.0%
Zhangpu Phoebus	**25.0%**	25.0%
Sunny	**15.0%**	15.0%
Shanghai Arcata	**15.0%**	15.0%
NVC China	**15.0%**	15.0%
Zhongshan NVC	**25.0%**	Not applicable

The table below sets out the items of income tax expense in the Reporting Period.

	Years ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Current – the PRC		
– Charge for the year	**65,162**	46,547
– Overprovision in prior years	**(996)**	(2,355)
Deferred	**11,185**	(30,711)
Total tax charge for the year	**75,351**	13,481

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit or loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 3,128,448,000 (2014: 3,128,448,000) in issue during the year. The calculation of the diluted earnings/(loss) per share amount is based on the profit or loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2015 and 2014 in respect of a dilution as the impact of the outstanding share options had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

7. **EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT** *(continued)*

The calculations of basic and diluted earnings/(loss) per share are based on:

	Years ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Profit/(loss):		
Profit/(loss) attributable to ordinary equity holders of the parent	**55,759**	(354,153)

	Years ended 31 December	
	2015	2014
	'000	*'000*
	Number of shares	Number of shares
Shares:		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	**3,128,448**	3,128,448

8. **DIVIDENDS**

	Years ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Proposed final dividend of HK1 cent per ordinary share (2014: Nil)	**26,210**	–
Interim – Nil (2014: HK1 cent per ordinary share)	**–**	24,860
	26,210	24,860

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. **INVENTORIES**

The balance of inventories represents our balance of stock of raw materials, work in progress and finished goods as at the end of the Reporting Period. We monitor our inventories on a regular basis. The following table sets forth our inventories balance as at the end of the Reporting Period and the turnover of average inventories (in days) for the years indicated.

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Raw materials	**71,451**	120,506
Work in progress	**21,883**	16,955
Finished goods	**402,116**	551,872
Total	**495,450**	689,333
Turnover of average inventories (in days) [(1)]	**73.4**	89.7

(1) Average inventories equal the inventories at the beginning of the year plus the inventories at the end of the year (after provision), divided by two. Turnover of average inventories (in days) equals the average inventories divided by the cost of sales and then multiplied by 365.

The write-down of inventories recognised by the Group as an expense for the Reporting Period amounted to RMB3,668,000 (2014: RMB37,672,000), which was recorded in "Cost of sales" in the consolidated statement of profit or loss.

10. TRADE AND BILLS RECEIVABLES

The balance of trade and bills receivables represent the outstanding amounts receivable by us from customers who have been granted credit periods. The following table sets forth our total trade and bills receivables as at the end of the Reporting Period and the turnover of average trade and bills receivables (in days) for the years indicated.

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**1,135,749**	1,213,930
Impairment	**(118,992)**	(112,485)
Trade receivables, net	**1,016,757**	1,101,445
Bills receivable	**187,013**	148,474
Less: Trade receivables with maturity more than one year [1]	**(13,856)**	(31,095)
Current portion	**1,189,914**	1,218,824
Turnover of average trade and bills receivables (in days) [2]	**127.4**	139.3

(1) The amount represented trade receivables due from a customer which was expected to be repaid beyond 12 months from 31 December 2015. In addition, the net amount of RMB21,358,000 (31 December 2014: RMB19,190,000) due from the same customer, net of impairment, was recorded as current as at 31 December 2015. During the year ended 31 December 2014, an amount of RMB5,287,000 was recognised in the consolidated statement of profit or loss due to the modification of terms of such trade receivables. The Group does not hold any collateral or other credit enhancements over the trade receivable balances.

(2) Average trade and bills receivables equal the trade and bills receivables at the beginning of the year plus the trade and bills receivables at the end of the year (before provision), divided by two. Turnover of average trade and bills receivables (in days) equals the average trade and bills receivables divided by revenue and then multiplied by 365.

An aged analysis of the trade receivables as at the end of the Reporting Period, based on the transaction date and net of provision, is as follows:

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Within 3 months	**639,615**	498,348
4 to 6 months	**235,337**	354,420
7 to 12 months	**59,798**	198,959
1 to 2 years	**68,990**	45,144
Over 2 years	**13,017**	4,574
	1,016,757	1,101,445

Trade receivables of the Group represented proceeds receivable from sale of goods. Our trading terms with our customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally range from 30 to 180 days for major customers. We seek to maintain strict control over our outstanding receivables and have a credit control management system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that our trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Several trade receivables are interest-bearing at 12%.

10. TRADE AND BILLS RECEIVABLES *(continued)*

As at 31 December 2015, certain trade receivables of UK NVC with carrying amounts of RMB22,153,000 (2014: RMB40,948,000) were pledged to secure the bank borrowing of UK NVC as further set out in note 12.

The following table sets forth the maturity profile of our bills receivable as at the end of the Reporting Period.

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Within 6 months	**187,013**	148,474

As at 31 December 2015, except for the trade receivables with maturity more than one year mentioned in note (1), the fair value of trade and bills receivables approximated to their carrying amounts largely due to the short-term maturity.

11. TRADE AND BILLS PAYABLES

The following table sets forth the total amounts of our trade and bills payables as at the end of the Reporting Period, and our turnover of average trade and bills payables (in days) for the years indicated.

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade and bills payables to third parties	**560,594**	550,775
Trade and bills payables to related parties	**50,904**	47,280
Total	**611,498**	598,055
Turnover of average trade and bills payables (in days) [1]	**75.0**	74.1

[1] Average trade and bills payables equal the trade and bills payables at the beginning of the year plus the trade and bills payables at the end of the year, divided by two. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and then multiplied by 365.

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

Bills payables are normally settled within 6 months.

An aged analysis of the trade and bills payables as at the end of the Reporting Period, based on the transaction date, is as follows:

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Within 3 months	**589,303**	538,480
4 to 6 months	**4,654**	24,022
7 to 12 months	**7,694**	19,033
1 to 2 years	**9,660**	16,087
Over 2 years	**187**	433
	611,498	598,055

As at 31 December 2015, the fair value of trade and bills payables approximated to their carrying amounts largely due to the short-term maturity.

12. INTEREST-BEARING LOANS AND BORROWINGS

	31 December					
	2015			2014		
	Contractual interest rate (%)	**Maturity**	***RMB'000***	*Contractual interest rate (%)*	Maturity	*RMB'000*
Current						
Bank loans – secured	**Base*+1.90**	**On demand [1]**	**22,153**	Base*+1.90	On demand [1]	40,948
	5.35%	**2016 [2&3]**	**27,800**			–
	5.35%	**2016 [2&3]**	**22,200**			–
	3.20%	**2016 [2]**	**101,969**			–
Total			**174,122**			40,948

1 The secured bank loan represented a GBP-dominated secured facility amounting to GBP5,000,000 (2014: GBP5,000,000), of which GBP2,304,000 (2014: GBP4,291,000) had been utilised as at the end of the reporting period. The bank loan was secured by the pledge over certain trade receivables amounting to RMB22,153,000 (2014: RMB40,948,000) and time deposits amounting to RMB51,000,000 (2014: RMB54,100,000). In accordance with the contract, the loan was repayable upon the collection of the factored trade receivables.

* "Base" means the Bank of England base rate.

2 The secured bank loans represented RMB-denominated secured facilities. The bank loans were secured by the pledge of time deposits amounting to RMB151,850,000 (2014: Nil).

3 The loan agreements contain repayment on demand clause.

As at 31 December 2015, the fair value of interest-bearing loans and borrowings approximated to their carrying amount largely due to the short-term maturities.

13. CONTINGENT LIABILITIES

(a) As at 31 December 2015, contingent liabilities not provided for in the consolidated financial statements were as follows:

	31 December	
	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Guarantees given to banks and a finance company in connection with facilities granted to: 2 PRC companies and Ms. WU Lian, an individual	**131,497**	131,497

(b) The Group currently acts as defendant in lawsuits brought by 2 PRC banks and a PRC finance company alleging that the Group should assume guarantee liabilities and interests according to guarantee agreements entered into by NVC China. The directors consider that the likelihood of the Group sustaining further losses from the guarantees is remote, and accordingly no provision for claims arising from the litigations is considered necessary as at 31 December 2014 and 2015, save for the related legal and other costs.

14. PLEDGE OF ASSETS

Save for those disclosed in other parts of this announcement, at the end of the reporting period, certain assets of the Group were pledged as follows:

(1) As at 31 December 2015, certain land use rights with aggregate carrying amounts of RMB49,633,000 (31 December 2014: Nil) and certain buildings included in property, plant and equipment with aggregate carrying amounts of RMB248,348,000 (31 December 2014: Nil) were pledged for the Group's applications of assets preservation in certain PRC legal proceedings.

(2) As at 31 December 2015, certain trade receivables with carrying amounts of RMB22,153,000 (31 December 2014: RMB40,948,000) were pledged to secure the bank borrowings.

(3) In accordance with agreements of deposits, deposits with an aggregate carrying amount of RMB202,850,000 (31 December 2014: RMB54,100,000) was pledged to a bank to secure bank loans of subsidiaries of the Group.

(4) In accordance with several letters of guarantee, deposits with carrying amounts of RMB20,258,000 (31 December 2014: RMB10,428,000) were pledged for issuing letters of guarantee.

(5) The amount represented deposits with carrying amounts of RMB26,501,000 (31 December 2014: RMB1,500,000) pledged for the Group's applications of assets preservation in certain PRC legal proceedings.

(6) Deposits with carrying amounts of RMB4,613,000 (31 December 2014: Nil) were pledged for issuing bank acceptance bills.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The Company's external auditor has issued a qualified opinion on the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2015. An extract from the independent auditor's report is as follows:

Basis for qualified opinion

(a) Impairment of other receivables and uncertainties relating to financial guarantee contracts

As set out in Note 35 to the consolidated financial statements, a subsidiary of the Company (the "Subsidiary") entered into several pledge and guarantee agreements in 2013 and 2014 (the "Pledge and Guarantee Agreements") with certain banks in the People's Republic of China (the "PRC"), providing guarantees to the banks for their loan facilities granted to certain borrowers. As at 31 December 2013, an aggregate amount of approximately RMB160,000,000 was recorded as pledged time deposits to the banks under the Pledge and Guarantee Agreements, included in the "Restricted bank balances and short-term deposits" in the consolidated statement of financial position. During 2014, additional time deposits were pledged to the banks under the Pledge and Guarantee Agreements entered into in 2014. Counter guarantees were provided by one of the borrowers of the bank loans (the "Borrower") to the Group. In 2014, aggregate pledged time deposits of RMB550,924,000 had been withdrawn by the banks due to default of the bank loans under the guarantees of the Subsidiary.

The Group initiated legal actions to claim the counter guarantees provided by the Borrower. As at 31 December 2014 and 2015, other receivables of RMB550,924,000 due from the Borrower were included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position as set out in Note 24 to the consolidated financial statements. The directors are of the opinion that an amount of RMB265,564,000 (the "Recoverable Amount") is recoverable as at 31 December 2014 and 2015, and accordingly a provision for the unrecoverable amount of RMB285,360,000 had been made and included in "Impairment loss of other receivables due from a company" in the consolidated statement of profit or loss of the Group for the year ended 31 December 2014 and there was no further provision or write-back of provision for impairment loss during the year ended 31 December 2015.

As set out in Note 35 to the consolidated financial statements, the Subsidiary also entered into guarantee agreements with another PRC bank in 2013 (the "Guarantee Agreement 1") and a PRC finance company in 2014 (the "Guarantee Agreement 2") respectively, providing guarantees to the PRC bank and the PRC finance company for their loan facilities granted to their borrowers. The outstanding loans of RMB35,497,000 and RMB34,000,000 in relation to the Guarantee Agreements 1 and 2 were in default in 2015 and 2014 respectively. The PRC bank and the PRC finance company have taken legal actions against the respective borrowers and the guarantors (including the Subsidiary and the Borrower as guarantors) to recover the loan balances and interests. The directors consider that the likelihood of the Group sustaining further losses from the Guarantee Agreements 1 and 2 is remote as it is considered that the loans had sufficient underlying securities including the Borrower's guarantees and the Subsidiary is only one of the guarantors for the loans. As a result, the directors considered that no provision thereon is considered necessary as at 31 December 2014 and 2015.

However, as the legal proceedings are still in progress, we are not able to obtain sufficient appropriate audit evidence to assess the likely outcome of the legal proceedings in respect of the amount that the Group would recover from the Borrower's assets as determined by the court and the amount ultimately to be recovered from the Borrower in connection with the Pledge and Guarantee Agreements, and to determine if any provision arising from the Guarantee Agreements 1 and 2 is necessary. As a result, we are not able to ascertain the recoverability of the Recoverable Amount due from the Borrower and appropriateness of the provision respectively as at 31 December 2014 and 2015. Audit opinion on the consolidated financial statements for the year ended 31 December 2014 regarding the recoverability of the Recoverable Amount due from the Borrower as at 31 December 2014 was also modified on this basis.

Any adjustments to the Recoverable Amount due from the Borrower and any provision to be recognised as at 31 December 2014 and 2015 would have a consequential impact on the Group's net assets as at 31 December 2014 and 2015 and the Group's financial performance for the years then ended.

Audit opinion on the consolidated financial statements for the year ended 31 December 2014 regarding the Group's net loss for the year was modified due to the auditor's inability to obtain sufficient appropriate audit evidence to ascertain whether any losses in connection with the Pledged and Guarantee Agreements entered into in the year ended 31 December 2013 should have been provided for in the consolidated financial statements for the year ended 31 December 2013. Any losses for the Pledge and Guarantee Agreements that should have been made in the year ended 31 December 2013 would have a consequential impact on the Group's loss for the year ended 31 December 2014. Our opinion on the current year's consolidated financial statements is also modified because of the possible effects of the above matter on the comparability of the Group's financial performance for the years ended 31 December 2014 and 2015.

(b) Provision for loss on financial guarantee contract

As set out in Note 35 to the consolidated financial statements, in addition to the agreements as mentioned in the above paragraphs, the Subsidiary entered into a guarantee agreement (the "Guarantee Agreement 3") with a PRC bank in 2014, providing guarantee to the bank for a loan facility granted to its borrower. The bank loan was in default in 2014 and the bank has taken legal actions against the borrower and the guarantors (including the Subsidiary) to recover the bank loan balance and interest. A court order was issued to freeze assets of guarantors (including the Subsidiary) in the amount of RMB62,000,000. As a result of the court order, bank balance of the Subsidiary in the amount of RMB54,128,000 and RMB54,758,000 had been frozen by the bank as at 31 December 2014 and 2015 respectively. The directors consider that the likelihood of the Group sustaining losses from the guarantee is remote as it is considered that the bank loan had sufficient underlying securities and the Subsidiary is only one of the guarantors for the bank loan. The directors believe that the frozen bank balance as included in "Restricted bank balances and short-term deposits" will be released upon the conclusion of the legal proceedings and no provision is considered necessary as at 31 December 2014 and 2015. In addition, the directors are of the opinion that no provision on any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen bank balance is considered necessary as at 31 December 2014 and 2015.

However, as the legal proceedings are still in progress, we are not able to obtain sufficient appropriate audit evidence to assess the likely outcome of the legal proceedings, and accordingly, we are unable to ascertain whether any provision on the frozen bank balance of RMB54,758,000 as at 31 December 2015 and any shortfall between the amount to be ultimately settled by the Group under the Guarantee Agreement 3 and the Subsidiary's frozen bank balance is required to be made as at 31 December 2015. Any provisions that should have been made would have a consequential impact on the Group's net assets as at 31 December 2015 and the Group's financial performance for the year then ended.

Audit opinion on the consolidated financial statements for the year ended 31 December 2014 regarding any provision on the Subsidiary's frozen balance of RMB54,128,000 and the shortfall of RMB7,872,000 between the court order of RMB62,000,000 and the Subsidiary's frozen bank balance required to be made as at 31 December 2014, and the consequential impact on the Group's financial performance for the year then ended was also modified on this basis.

Qualified opinion

In our opinion, except for the possible effects on the matters described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2014 were audited by another auditor who expressed a qualified opinion on those statements on 13 May 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2015, the global economy was in a period of in-depth adjustment. On one hand, the overall economic recovery of the developed countries was unstable. Despite the continued recovery of the U. S. A. economy, the Eurozone and Japan were still in economic plights. On the other hand, the overall economic growth of emerging markets and the developing countries continued to slump. The changing monetary policies of major economies have aggravated the global capital flow, together with the weak global economy, the pace of recovery was uncertain.

As indicated by the National Bureau of Statistics, the nationwide GDP had a 6.9% year-on-year growth in 2015, representing a drop of 0.4% as compared with the growth rate of last year and the lowest level in the last 25 years. The growth rate of the real estate industry which was closely related to the lighting industry slowed down as well. In 2015, the nationwide house construction area of real estate development enterprises had a year-on-year growth of 1.3%. The new house construction area had a year-on-year drop of 14.0%, coupled with a year-on-year fall of 31.7% in terms of the area of land acquired by real estate developers. Despite the slowdown for both domestic and international economic growth, traditional lighting lamps and luminaries have been rapidly replaced by the use of LED lighting, showing a gradual transition from the era of replacement to the era of popularity with LED lighting applications.

Notwithstanding the continued rise of the demand for LED lighting and rapid replacement in the traditional lighting application market, the oversupply in the industry has caused a sharp decline in the average cost of LED lighting products, resulting in fierce competition and expedited the exit of small and medium enterprises from the market. The integration, reshuffling and upgrade of the lighting industry speeded up in light of the new circumstances. Industry concentration will continue to rise in the future.

BUSINESS REVIEW

2015 is the year of restoration and adjustment for the Group, where it was recovering from the turmoil while adjusting its operation. In respect of the marketing model, the Group continued to capitalize its engineering project advantages and secured substantial orders for the supply of lighting products such as supply of lighting products to Sinopec Group during the Reporting Period, The Company also closely adhered to the market demand by developing the household lighting business to create new profit growth points, leading to the business model of the joint development of both engineering and household products. In relation to channels expansion, the Group has proactively reached out to hardware business distributors and improved various systems so as to further enhance the brand penetration. In respect of the supply chain management, by streamlining the original suppliers through public tender, eliminating unqualified suppliers and introducing premium suppliers, the annual cost of procurement decreased as the result of the improved quality of the supplier team. In terms of production management, the establishment of the central planning centre and the lean production office, coupled with the optimized flow of production and stringent control on costs have all contributed to the improved profit level of the Group.

Sales and Distribution

As for the NVC Brand in the PRC market, the Group incorporated 38 exclusive regional distributors during the Reporting Period. The exclusive regional distributors had a total of 3,529 exclusive outlets (100.0% coverage rate in the provincial capital, 97.2% coverage rate in the prefecture-level cities, 67.1% coverage rate in the county-level cities, and 2.3% coverage rate in the town centers), representing a decrease of 176 exclusive outlets as compared with the Corresponding Period. Such decrease was mainly due to centralizing the advantageous resources and enhancing the operating efficiency of various exclusive outlets by streamlining and rectifying the exclusive outlets comprehensively, as well as upgrading and increasing the area of advantageous exclusive outlets. Apart from the exclusive regional distributors, the Group had a total of 1,435 exhibition counters and exhibition walls during the Reporting Period. Over 80.0% of these outlets were located in town centers to supplement its insufficient exclusive outlet coverage in the area. Furthermore, during the Reporting Period, the Group constructed and operated O2O platform smoothly and established a comprehensive O2O marketing system, transferring online traffic to offline business. In order to develop O2O business throughout Mainland China, the Group set up the retail management center and complete the construction of 24 O2O experience outlets during the Reporting Period while another 114 outlets are under renovation, aiming at reforming and upgrading 3,529 exclusive outlets gradually by the modern O2O model and becoming the leader in retail industry to cater the market demand.

In respect of the NVC brand in the international market, the Group has adhered to its self-owned brand strategies and continued the in-depth channels cultivation, making LED office lighting as well as commercial lighting and LED lamps as its core product lines. During the Reporting Period, the Group strengthened the expansion of emerging markets in Indonesia, the Middle East, Brazil and Africa with remarkable development in the Middle East. The Group has been recognized as a qualified supplier by the Ministry of Justice of Saudi Arabia and successfully secured the engineering project of a famous hotel in Dubai, resulting in the increase of market share of the Group rapidly. However, because of the relatively bigger drop in the traditional lighting products during the Reporting Period, coupled with the falling prices of LED lighting products, the international sales volume of NVC brand products dropped 10.1% from the Corresponding Period to RMB396,724,000.

For the non-NVC brands in the PRC and the international markets, the Group mainly supplied well-known lighting enterprises with energy-saving lamps, energy-saving light tubes and accessories in the form of ODM. During the Reporting Period, the sales volume of the Group's traditional lighting products declined while the sales volume of the LED lighting products was on the rise, resulting in an increase of 3.1% in the sales revenue of non-NVC brand products to reach RMB1,111,409,000.

Product Research, Development and Design

During the Reporting Period, the research and development of the Group focused on LED lighting with reference to market demand and developed a batch of high-tech products well-received by the market. Among which, the brand new LED Leiting lighting products have drawn the biggest attention. With full application of flip-chip and dual-core technologies, the product line covered over 200 products including LED lamps, LED ceiling light and spot luminaries series, LED grid spot light, LED track spot light, and LED lamp holder. This product line upgraded various safety technologies related to the users and sufficiently meet the commercial and professional lighting requirements. Furthermore, the Group applied for 112 new patent applications and 52 were granted during the Reporting Period. The Group invested RMB59,634,000 in the research and development, accounting for 1.6% of the Group's revenue.

FINANCIAL REVIEW

Revenue

Revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts. During the Reporting Period, the turnover of the Group increased 10.8% from the Corresponding Period to RMB3,845,650,000. In particular, the LED lighting products recorded revenue of RMB2,223,989,000 with an increase of 81.1% from the Corresponding Period.

Revenue by product segments

The table below sets forth the revenue by product segments (luminaire, lamp and lighting electronic products) and the growth rate of each segment.

	Years ended 31 December		
	2015	2014	Growth rate
	RMB'000	*RMB'000*	
Luminaire products	**2,588,368**	2,108,622	22.8%
Lamp products	**1,040,485**	1,149,045	(9.4%)
Lighting electronic products	**216,797**	213,347	1.6%
Total	**3,845,650**	3,471,014	10.8%

During the Reporting Period, the sales of luminaire products increased 22.8% mainly attributed to the newly developed business of household luminaire products as well as the comprehensive sales of LED Leiting products. The sales of lamp products decreased 9.4% mainly due to the impact from LED lighting products, leading to the gradual transformation of traditional lamp products with declining sales towards LED lamp products in future. The sales of lighting electronic products grew 1.6%. During the Reporting Period, the demand from overseas clients was stable with LED electronic products accounting for a significant increase in the sales proportion compared to the Corresponding Period.

Revenue by geographical locations, NVC brand sales and non-NVC brand sales

The table below sets forth the revenue by geographical locations, NVC brand products and non-NVC brand products and the growth rate of each item. Our non-NVC brand products primarily consist of ODM products.

	Years ended 31 December		
	2015	2014	Growth rate
	RMB'000	*RMB'000*	
Sales revenue from PRC			
NVC brand	**2,337,517**	1,951,973	19.8%
Non-NVC brand	**278,018**	320,507	(13.3%)
Subtotal	**2,615,535**	2,272,480	15.1%
Sales revenue from international market			
NVC brand	**396,724**	441,286	(10.1%)
Non-NVC brand	**833,391**	757,248	10.1%
Subtotal	**1,230,115**	1,198,534	2.6%
Total	**3,845,650**	3,471,014	10.8%

Revenue by LED lighting products and non-LED lighting products

The table below sets forth our revenue from LED lighting products and non-LED lighting products and the growth rate of each item.

	Years ended 31 December		
	2015	2014	Growth rate
	RMB'000	*RMB'000*	
LED lighting products	**2,223,989**	1,228,131	81.1%
Non-LED lighting products	**1,621,661**	2,242,883	(27.7%)
Total	**3,845,650**	3,471,014	10.8%

Cost of Sales

Cost of sales mainly consists of the cost of raw materials, outsourced manufacturing costs, labor costs and indirect costs. Major raw materials of the Group include iron, aluminum and alloys, fluorescent powder, glass tubes, electronics components and LED packaged chips. Outsourced manufacturing costs primarily include the cost of purchased semi-finished products and finished products produced by other manufacturers and used in the production of our products. Indirect costs primarily include water, electricity, depreciation and amortisation and others. The table below sets forth the composition of our cost of sales:

	Years ended 31 December			
	2015		2014	
	RMB'000	***Percentage in revenue (%)***	*RMB'000*	*Percentage in revenue (%)*
Raw materials	**1,948,892**	**50.7%**	2,071,170	59.7%
Outsourced manufacturing costs	**484,315**	**12.6%**	206,345	5.9%
Labor costs	**331,766**	**8.6%**	260,805	7.5%
Indirect costs	**179,672**	**4.7%**	191,118	5.5%
Total	**2,944,645**	**76.6%**	2,729,438	78.6%

During the Reporting Period, the cost of sales as a percentage of the revenue dropped from 78.6% to 76.6%. The gross profit margin increased from 21.4% to 23.4%, mainly because of the comprehensive cost saving measures implemented by the Group including mainly the restructuring of the production flow, the increase in the production efficiency, and the public procurement tender, resulting in the notably higher gross profit margin.

Gross Profit and Gross Profit Margin

Gross profit is calculated as the net value of sales revenue less cost of sales.

During the Reporting Period, gross profit was RMB901,005,000, representing an increase of 21.5% as compared with the Corresponding Period, gross profit margin increased from 21.4% to 23.4%. The gross profit and gross profit margin by segments are as follows:

(i) The table below shows the gross profit and gross profit margin by product segments (luminaire, lamp and lighting electronic products):

	Years ended 31 December			
	2015		2014	
	RMB'000	***(%)***	*RMB'000*	*(%)*
Luminaire products	**671,651**	**25.9%**	503,554	23.9%
Lamp products	**187,930**	**18.1%**	198,744	17.3%
Lighting electronic products	**41,424**	**19.1%**	39,278	18.4%
Total	**901,005**	**23.4%**	741,576	21.4%

Gross Profit and Gross Profit Margin *(Continued)*

During the Reporting Period, the gross profit margin of luminaire products increased by 2.0% to 25.9% as compared with the Corresponding Period, mainly attributed to the contribution from household luminaire products and LED Leiting products with high gross profit margin, big sales volume and implementation of the comprehensive cost saving measures during the Reporting Period; the gross profit margin of lamp products rose 0.8% from the Corresponding Period to 18.1%; the gross profit margin of lighting electronic products rose 0.7% from the Corresponding Period to 19.1%, which was mainly attributed to the Group's proactive measures including the lean production management, the restructuring of the production flow and the cost-cutting through procurement tender, leading to an overall decrease in the cost of procurement and production.

(ii) The table below shows the gross profit and gross profit margin by geographical locations and NVC brand products and non-NVC brand products:

	Years ended 31 December			
	2015		2014	
	RMB'000	***(%)***	*RMB'000*	*(%)*
Gross profit from PRC sales:				
NVC brand	**600,856**	**25.7%**	465,841	23.9%
Non-NVC brand	**37,881**	**13.6%**	34,951	10.9%
Subtotal	**638,737**	**24.4%**	500,792	22.0%
Gross profit from international sales:				
NVC brand	**97,134**	**24.5%**	101,780	23.1%
Non-NVC brand	**165,134**	**19.8%**	139,004	18.4%
Subtotal	**262,268**	**21.3%**	240,784	20.1%
Total	**901,005**	**23.4%**	741,576	21.4%

(iii) The table below sets forth the gross profit and gross profit margins of LED lighting products and non-LED lighting products:

	Years ended 31 December			
	2015		2014	
	RMB'000	***(%)***	*RMB'000*	*(%)*
LED lighting products	**604,732**	**27.2%**	309,727	25.2%
Non-LED lighting products	**296,273**	**18.3%**	431,849	19.3%
Total gross profit	**901,005**	**23.4%**	741,576	21.4%

Other Income and Gains

Other income and gains mainly consist of trademark license fees, rental income, gain on sale of scrap materials, government grants and interest income (please refer to note 3 on page 10 of this announcement for the composition of other income and gains). We received various types of government grants as tax subsidies and incentives for research and development activities and expansion of production capacity of energy-saving lamps. Government subsidies are provided by relevant authorities at their discretion, and may not necessarily be recurring in nature. We licensed our trademark to a limited number of related companies and a third party company at one to three percent of the companies' sales amount as trademark license fees. During the Reporting Period, other income and gains were RMB66,143,000, representing an increase of 2.6% as compared with the Corresponding Period.

Selling and Distribution Costs

Selling and distribution costs mainly consist of freight costs, advertising and promotion expenses, staff costs and others. Others include office expenses, custom clearance expenses, travelling expenses, depreciation and amortisation, insurance fees and other miscellaneous costs.

During the Reporting Period, our selling and distribution costs were RMB371,754,000, representing a decrease of 3.9% as compared with the Corresponding Period. The decrease was mainly attributed to the decrease of the advertising and promotion fees compared with the Corresponding Period. Our selling and distribution costs as a percentage in revenue decreased from 11.1% to 9.7%.

Administrative Expenses

Administrative expenses mainly consist of staff costs, amortisation and depreciation, research and development expenses, office expenses and others. Others mainly include taxes, audit and other professional fees, bad debt provision and miscellaneous items. These taxes mainly include land use tax and stamp duty in connection with our administrative functions.

During the Reporting Period, our administrative expenses were RMB369,916,000, representing a decrease of 13.2% as compared with the Corresponding Period. The high administrative expenses in the Corresponding Period were mainly attributable to a large amount of bad debt provision. Our administrative expenses as a percentage in revenue decreased from 12.3% to 9.6%.

Other Expenses

Other expenses include modification loss of trade receivables, losses on disposal of property, plant and equipment, donation, exchange loss and other miscellaneous expenses.

Finance Costs

Finance costs represent interests on bank loans and other interest expenses.

Share of Loss of Associates

This item represents the Group's share of net loss in the associates during the Reporting Period.

Income Tax Expense

During the Reporting Period, the Group's income tax expense increased significantly to RMB75,351,000 as compared with the Corresponding Period, which is mainly attributable to the high income tax rates of the profitable subsidiaries including Zhongshan NVC and Zhejiang NVC.

Profit for the Year (including Profit Attributable to Non-controlling Interests)

Due to the factors mentioned above, our net profit for the year (including profit attributable to non-controlling interests) was RMB127,737,000 during the Reporting Period.

Exchange Differences on Translation of Foreign Operations

During the Reporting Period, our exchange differences on translation of foreign operations were RMB12,909,000. These exchange differences primarily arose from the translation of the financial statements of the Company and the overseas subsidiaries which are denominated in foreign currencies.

Profit Attributable to Owners of the Parent for the Year

Due to the factors mentioned above, profit attributable to owners of the parent was RMB55,759,000 during the Reporting Period.

Profit Attributable to Non-controlling Interests for the Year

During the Reporting Period, profit attributable to non-controlling interests was RMB71,978,000.

Liquidity

Net current assets and working capital sufficiency

The table below sets out our current assets, current liabilities and net current assets as at the end of the Reporting Period.

	31 December	
	2015	2014
	RMB'000	*RMB'000*
CURRENT ASSETS		
Inventories	**495,450**	689,333
Trade and bills receivables	**1,189,914**	1,218,824
Prepayments, deposits and other receivables	**344,778**	342,140
Income tax recoverable	**7,998**	–
Other current assets	**16,515**	34,369
Restricted bank balances and short-term deposits	**660,307**	125,233
Cash and cash equivalents	**903,849**	796,694
	3,618,811	3,206,593
Assets of disposal group classified as held for sale	**27,005**	–
Total current assets	**3,645,816**	3,206,593
CURRENT LIABILITIES		
Trade and bills payables	**611,498**	598,055
Other payables and accruals	**483,032**	383,758
Interest-bearing loans and borrowings	**174,122**	40,948
Government grants	**2,034**	2,137
Income tax payable	**38,381**	18,828
	1,309,067	1,043,726
Liabilities of disposal group classified as held for sale	**4,704**	–
Total current liabilities	**1,313,771**	1,043,726
NET CURRENT ASSETS	**2,332,045**	2,162,867

As at 31 December 2015 and 31 December 2014, net current assets of the Group amounted to RMB2,332,045,000 and RMB2,162,867,000, respectively, and the current ratio was 2.78 and 3.07, respectively. In light of our current liquidity position, the unutilised banking facilities available to the Group and our projected cash flows generated from operations, the Directors believe that we have sufficient working capital for our present requirements and for the next 12 months.

Capital Management

The table below sets out our gearing ratio as at the end of the Reporting Period.

	31 December	
	2015	2014
	RMB'000	*RMB'000*
Interest-bearing loans and borrowings	**174,122**	40,948
Total debt	**174,122**	40,948
Less: cash and short-term deposits (excluding restricted bank balance)	**(1,523,502)**	(867,799)
Net debt	**N/A**	N/A
Total equity attributable to owners of the parent	**3,316,907**	3,247,462
Gearing ratio	**N/A**	N/A

The primary goal of our capital management is to maintain the stability and growth of our financial position. We regularly review and manage our capital structure and make corresponding adjustments, after taking into consideration changes in economic conditions, our future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. We manage our capital through monitoring our gearing ratio (which is calculated as net debt divided by the total equity attributable to owners of the parent). Net debt is the balance of interest-bearing loans and borrowings less cash and short-term deposits (excluding restricted bank balance).

Capital Expenditure

We funded our capital expenditure with cash generated from operations and bank loans. Our capital expenditure is primarily related to expenditure on property, plant and equipment, prepaid land lease payments and other intangible assets. During the Reporting Period, the Group's capital expenditure amounted to RMB69,509,000, mainly attributable to an increase in machinery equipment, moulds, non-productive equipment and intangible assets.

Off-balance Sheet Arrangement

We did not have any outstanding derivative financial instruments or off-balance sheet guarantees for outstanding loans. We did not engage in trading activities involving non-exchange traded contracts.

Capital Commitments

As at 31 December 2015, we had capital commitments of RMB132,554,000 for the acquisition of property, plant and equipment.

In addition to the capital commitments mentioned above, we had the following operating lease commitments as at the end of the Reporting Period.

Operating Lease

As a lessee, we leased certain of our office properties under operating lease arrangements, with leases negotiated for terms ranging from one to five years. There are no restrictions placed on us by entering into these leases. As at the end of the Reporting Period, our total future minimum lease payments under non-cancellable operating lease falling due in the next five years will be RMB18,118,000.

As a lessor, we leased plant and office under operating lease arrangements with leases negotiated for terms ranging from one to five years. The terms of the leases generally require tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. As at the end of the Reporting Period, our total future minimum lease receivables under non-cancellable operating leases with our tenants falling due in the next five years will be RMB872,000.

FUTURE PROSPECTS

Various industries including the lighting industry were challenged by the global economic slowdown. The traditional lighting industry is transforming to the LED lighting model. Lots of lighting companies and even the international leading enterprises are facing a significant reconstruction trend triggered by the combined effects of various factors. The market has also been changing rapidly. Throughout the years, from establishing exclusive distributors to building channel operation centers, then adopting O2O business model, innovation has always been the key of our success. In 2016, the Group will continue its tradition in achieving breakthrough as well as its attempts in reform and innovation, with proactive strategies deployment in production and procurement, sales, research and development to re-shape the enterprise culture, in order to capture development opportunities amidst the intensified global competitions.

Enhance Internal Consolidation and Adopt Stringent Production and Procurement Cost Control

In terms of production and procurement, the Group will expedite the implementation of lean production project and introduce the “amoeba” operation concept to foster responsibility system in the production bases. The Group will also carry out quality cost-control to improve the quality management system of various production bases and suppliers. In terms of supply chain management, the Group will set up the suppliers’ grading system to eliminate disqualified suppliers and optimize the supply team so as to lower production and procurement costs drastically and enhance overall operating efficiency.

Integrate Various Businesses Models and Achieve Comprehensive Online to Offline Marketing

In 2016, the Group will transform its sales model from the “single business approach” to “integration of various business approaches” as well as from the “offline operation” to “online and offline integration”. The Group will continue to promote business diversification in 2016, deploy strategic product mix of household lighting and commercial lighting with an aim to push forward these two business segments as the performance growth highlights of the Group. Meanwhile, we will endeavor to improve the O2O platform in 2016, increase the number of O2O experiential outlets, increase the platform transaction amount and enrich the product categories to bring about complementary benefits between O2O channel and traditional sales strategies, eventually boosting the sales volume and upgrading customers’ experiences in the exclusive outlets.

Press Ahead Overseas Market Expansion and Enrich Core Product Mix

With respect to overseas market exploration, the Group will focus on developing the U.K., Australia and the Middle East markets in 2016. In particular, by virtue of the NVC core products, we will endeavor to become the leading office lighting and commercial lighting products provider in the U.K. and Australia. Commercial and government projects are our core businesses in the Middle East. We will also establish an office in Dubai to seek breakthrough in the mainstream project channels including the World Expo 2020 and the 2022 World Cup. Moreover, we are planning to establish 5 to 8 exclusive outlets in UAE, Saudi Arabia, Kuwait, Arman and Indonesia. To accelerate overseas market expansion for the NVC Brand, we will also consider carrying out overseas merger and acquisition.

Carry Out Research and Development on LED Products and Implement Product Assessment Mechanism

In 2016, the Group will conduct the two-pronged research and development. We will focus on forward-looking research for developing the LED lighting products with market potentials and high technology, while introducing assessment mechanism and informative approach to enhance the product lifecycle management and push forward the standardization of product development. In order to increase our domestic and overseas LED lighting market shares, we will enrich the product lines and enhance the price-performance ratio, so as to become the leader of LED lighting product industry.

EVENTS AFTER THE REPORTING PERIOD

The Company's wholly-owned subsidiary, Hong Kong NVC Lighting ("NVC HK"), has entered into the equity transfer agreement with Gold Interact Investment Limited (the "Transferor") on 3 February 2016 (the "Equity Transfer Agreement"). Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 75% equity interest in LED Holdings Limited. The total consideration for the acquisition is determined to be RMB500,000,000.

The Board considers that the intellectual properties owned by LED Holdings Limited will benefit the Group in its technology upgrading and new products development, hence enhancing the Group's competitiveness, developing the international market of its products and improving of the Group's performance. In addition, its subsidiary and the Group will jointly invest in household lighting appliances which will be an important businesses operation unit and growth point of the Group. The Board considers that the Company will benefit from household lighting appliances' advantages in research, design, production, sales of luminaire, lamps and other lighting appliances and LED lighting products through increasing investment and shareholdings in household lighting appliances in order to enhance its influence, which can in turn achieve greater economic efficiency and development potential.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the continuing connected transactions of the Group, which were announced previously, did not exceed the applicable annual caps disclosed in the relevant previous announcements of the Company.

MERGER, ACQUISITION AND INVESTMENT

On 10 November 2015, the Group entered into an agreement with a third party in connection with the disposal of its entire equity interest in Zhangpu Phoebus, the then indirect wholly-owned subsidiary of the Company. Subject to the approval from the local government authorities, the directors of the Company expects the disposal will be completed in 2016. Other than that, the Group did not acquire, merge or dispose of any subsidiary and associate during the Reporting Period.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

We did not use the proceeds from the Global Offering in a manner different from those set out in the prospectus of the Company dated 7 May 2010.

MARKET RISKS

We are exposed to various market risks in the ordinary course of business. Our risk management strategy aims to minimise the adverse effects of these risks to our financial results.

FOREIGN CURRENCY RISK

We are exposed to transactional currency risk. Such risk arises from sales or procurement by an operating unit in currencies other than its functional currency. As a result, we are exposed to fluctuations in the exchange rate between the functional currencies and foreign currencies. During the Reporting Period, the Group had entered into several forward currency contracts in place to hedge the foreign exchange exposure and did not experience any material difficulties or negative impacts on our operations or liquidity as a result of fluctuations on currency exchange rates.

Commodity Price Risk

We are exposed to fluctuations in the prices of raw materials which are influenced by global changes as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect our financial performance. We did not enter into any commodity derivative instruments to hedge the potential commodity price changes.

Liquidity Risk

We monitor our risk of having a shortage of funds by considering the maturity of our financial instruments, financial assets and liabilities and projected cash flows from operations. Our goal is to maintain a balance between continuity and flexibility of funding through the use of bank loans and other interest-bearing loans. Our Directors have reviewed our working capital and capital expenditure requirements and determined that we have no significant liquidity risk.

Credit Risk

Our major credit risk arises from exposure to a substantial number of trade and bills receivables and prepayments, deposits and other receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in Mainland China and Hong Kong. We also have policies that limit our credit risk exposure to any financial institutions. The carrying amounts of trade and bills receivables, prepayments, deposits and other receivables and short-term deposits included in the consolidated statement of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2015, we entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered up to 85% of uncollectible receivables from PRC sales and 90% uncollectible receivables from international sales between the period from 1 December 2015 to 30 November 2016 with a maximum compensation amount of RMB19,200,000 for PRC sales and US$30,000,000 (equivalent to approximately RMB194,808,000) for international sales. We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts when they become due.

FINAL DIVIDEND

The Board proposed to declare final dividend of HK1 cent (equivalent to approximately RMB0.8 cent) per share and is subject to the approval of the Company's shareholders ("Shareholders") at the forthcoming annual general meeting (the "annual general meeting"). Based on the 3,128,448,000 shares in issue as at 31 December 2015, it is expected that the final dividend payable will amount to approximately HK$31,284,000 (equivalent to approximately RMB26,210,000) (before tax). Subject to the approval of the Shareholders at the annual general meeting, the final dividend is expected to be paid to the eligible Shareholders by no later than 30 June 2016.

ANNUAL GENERAL MEETING AND PERIOD OF CLOSURE OF REGISTER OF MEMBERS

The Company will arrange the time of convening the annual general meeting as soon as practicable, and the notice of the annual general meeting will be published and dispatched to shareholders of the Company in a timely manner in accordance with the requirements of the Listing Rules and the articles of association of the Company. Once the date of the annual general meeting is finalized, the Company will publish the period of closure of register of members of the Company in a separate announcement and in the notice of the annual general meeting.

EMPLOYEES

As at 31 December 2015, the Group had approximately 7,125 employees in total (31 December 2014: 8,414). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes, and discretionary incentive and share option schemes.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

CORPORATE GOVERNANCE

The Directors are of the opinion that, during the Reporting Period, the Company had complied with the applicable principles and codes provisions set out in the Code, except for Code Provision A.2.1 which requires that the role of chairman and chief executive officer should be separate and should not be performed by the same person. Given that Mr. WANG Donglei assumed the roles of both chairman and chief executive officer, the Company deviated from this code provision. Mr. WANG Donglei is the chairman and general manager of Elec-Tech International Co., Ltd. ("Elec-Tech"), which is the controlling corporation of the largest shareholder of the Company, Elec-Tech International (H.K.) Company Limited. Mr. WANG Donglei has many years of experience in product research and development, manufacturing and business management. The dual role arrangement provides strong and consistent market leadership and is critical for efficient business planning and decision making of the Company. As all major decisions are made in consultation with members of the Board and its other relevant committees, and there are four Independent Non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purposes of complying with the Code and maintaining a high standard of corporate governance practices of the Company. Save as disclosed above, the Company had fully complied with the principles and code provisions as set out in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. Specific enquiry has been made to all Directors, and the Directors have confirmed that they had complied with all relevant requirements as set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") in compliance with the Listing Rules with written terms of reference. The primary duties of the Audit Committee include maintaining relationship with the auditor of the Group; reviewing financial information of the Group; supervising the financial reporting system, risk management and internal control system of the Group; and the duties of corporate governance designated by the Board. During the Reporting Period, Mr. WANG Jinsui has resigned as an Independent Non-executive Director with effect from 2 February 2015, therefore, he ceased to be the member of Audit Committee. Mr. WANG Xuexian has been appointed as a member of Audit Committee by the Board on the same date. Currently, the Audit Committee consists of three members, namely, Non-executive Director Mr. LIN Ho-Ping, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Mr. WANG Xuexian, respectively. Mr. LEE Kong Wai, Conway has been appointed as the Chairman of the Audit Committee. The Audit Committee has reviewed and discussed the annual results for the Reporting Period.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") in compliance with the Listing Rules with written terms of reference. The primary duties of the Remuneration Committee are to establish and review the policy and structure of remuneration for the Directors and senior management. During the Reporting Period, Mr. WANG Jinsui has resigned as an Independent Non-executive Director with effect from 2 February 2015, therefore, he ceased to be the Chairman of the Remuneration Committee. Mr. WEI Hongxiong has been appointed as the Chairman of the Remuneration Committee on the same date. Currently, the Remuneration Committee consists of four members, namely, Non-executive Director Mr. ZHU Hai, Independent Non-executive Director Mr. LEE Kong Wai, Conway, Independent Non-executive Director Ms. WU Ling and Independent Non-executive Director Mr. WEI Hongxiong.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") in compliance with the Code with written terms of reference. The primary duties of the Nomination Committee are to review the structure and composition of the Board, make recommendation to the Board on the appointment, re-appointment of Directors and succession planning for Directors and assess the independence of Independent Non-executive Directors. Currently, the Nomination Committee consists of three members, namely, Executive Director Mr. WANG Donglei, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Ms. WU Ling, respectively. Mr. WANG Donglei has been appointed as the Chairman of the Nomination Committee.

STRATEGY AND PLANNING COMMITTEE

The Company established a strategy and planning committee (the "Strategy and Planning Committee") under the Board with written terms of reference. The primary duties of the Strategy and Planning Committee are to propose and formulate the strategic development plan of the Company for the Board's consideration. During the Reporting Period, Mr. WANG Jinsui has resigned as an Independent Non-executive Director with effect from 2 February 2015, therefore, he ceased to be the member of the Strategy and Planning Committee. Currently, the Strategy and Planning Committee consists of three members, namely, Executive Director Mr. WANG Donglei, Non-executive Director Mr. ZHU Hai, and Independent Non-executive Director Ms. WU Ling, respectively. Mr. WANG Donglei has been appointed as the Chairman of the Strategy and Planning Committee.

EMERGENCY COMMITTEE

The Company established an emergency committee (the "Emergency Committee") under the Board on 8 August 2014. Following the establishment of the Emergency Committee, an emergency situation was declared in a timely manner. The Emergency Committee has been authorised by the Board, in the event of an emergency, to exercise the powers and perform the duties on behalf of the Board, which include without limitation, (1) conducting internal organizational restructuring, appointing management personnel, executing business contracts, making financial payments and other matters, in compliance with applicable laws and regulations, the Listing Rules and the Articles of Association of the Company; and (2) publishing announcements on behalf of the Board on the website of the Stock Exchange. The Emergency Committee currently consists of three members, namely, Executive Director Mr. WANG Donglei, Executive Director Mr. XIAO Yu and Independent Non-executive Director Mr. WEI Hongxiong.

INDEPENDENT INVESTIGATIONS COMMITTEE

To advance the internal investigations into matters involving Mr. WU Changjiang mentioned herein, the Company has established an independent investigations committee (the "Independent Investigations Committee") under the Board. The Independent Investigations Committee has been authorized by the Board to exercise powers and perform duties on behalf of the Board in relation to the conduct of the investigations into, among other things, the alleged wrongdoing of Mr. WU Changjiang. The Independent Investigations Committee has also been authorized to consider and make recommendations to the Board with respect to any potential proceedings arising from the internal investigations. In connection with the Company's investigations of the alleged wrongdoing of Mr. WU Changjiang, including the entering into of several pledge and guarantee agreements purportedly on behalf of a subsidiary of the Company, as stated in the Notes to Consolidated Financial Statements above, the Independent Investigations Committee has instructed a third-party service provider to conduct a forensic review of related irregularities and an internal controls assessment of the Company and its key subsidiaries. The forensic review and the internal controls assessment are now completed. Please refer to the Company's announcements dated 17 July 2015 and 17 September 2015. The Independent Investigations Committee currently consists of four members, namely, Independent Non-executive Director Mr. LEE Kong Wai, Conway, Independent Non-executive Director Mr. WEI Hongxiong, Independent Non-executive Director Mr. WANG Xuexian, and Non-executive Director Mr. LIN Ho-Ping, respectively.

APPOINTMENT AND RESIGNATION OF DIRECTORS AND CHANGE IN DIRECTORS' INFORMATION

From 1 January 2015 to the date of this announcement, the appointment and resignation of Directors and changes in the Directors' information of the Company are as follows:

Mr. WANG Donglei has been officially appointed as the chief executive officer of the Company with effect from 21 January 2015. He was also re-designated as an Executive Director from the Non-executive Director with effect from 2 February 2015.

Mr. WANG Jinsui has resigned as an Independent Non-executive Director, the Chairman of the Remuneration Committee, the member of the Audit Committee and the member of the Strategy and Planning Committee with effect from 2 February 2015.

Mr. WANG Xuexian has been appointed as the member of the Audit Committee with effect from 2 February 2015.

Mr. WEI Hongxiong has been appointed as the Chairman of the Remuneration Committee with effect from 2 February 2015.

Mr. LEE Kong Wai, Conway, an Independent Non-executive Director of the Company, has ceased to be the non-executive director and deputy chairman of Merry Garden Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 1237) with effect from 30 September 2015.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Group's audited annual results for the Reporting Period will be included in the Company's annual report which will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.nvc-lighting.com.cn and will be dispatched to the Company's shareholders in due course.

REVIEW OF ACCOUNTS

The financial information has been reviewed by the Audit Committee and approved by the Board.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited ("BDO")(1), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO on the preliminary announcement.

APPRECIATION

The Board would like to take this opportunity to express its appreciation to the management team and staff of the Group for their contribution during the Reporting Period and also to give its sincere gratitude to all the shareholders of the Company for their continued support.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings.

"Board"	the board of Directors of the Company.
"Mainland China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not apply to Taiwan, the Macau Special Administrative Region and Hong Kong.
"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 on 1 December 2006 and our direct wholly-owned subsidiary.

(1) On 16 December 2015, the Board passed, by a majority, resolutions to terminate the contract with Messrs Ernst & Young ("EY") as the auditors of the Company and appoint BDO as the new auditor of the Company(together, the "Change of Auditors"). The above-mentioned Change of Auditors has been passed by the Shareholders in the Extraordinary General Meeting which was held on 17 March 2016.

"Code"	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.
"Company"	NVC Lighting Holding Limited (雷士照明控股有限公司), 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.
"Corresponding Period"	means the year ended 31 December 2014 or the year ended 31 December 2015 (as the context may require).
"Director(s)"	the director(s) of the Company.
"Group"	the Company and its subsidiaries.
"GBP"	Great Britain Sterling Pound, the lawful currency of the United Kingdom.
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong.
"Hong Kong"	the Hong Kong Special Administrative Region of People Republic of China.
"Huizhou NVC"	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 29 April 2006 and our direct whollyowned subsidiary.
"HID"	high intensity discharge.
"Jiangshan Phoebus"	Jiangshan Phoebus Lighting Electron Co., Ltd.* (江山菲普斯照明有限公司), a limited liability company incorporated in the PRC on 8 March 2006 and our indirect wholly-owned subsidiary.
"LED"	light-emitting diode.
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.
"NVC Brasil"	NVC Lighting Do Brasil Commercial Import and Export Co., Ltd. a limited liability company incorporated in Brazil, a 51% equity interest of which is held by Hong Kong TYU Technology Co., Ltd., our wholly-owned subsidiary, and the remaining 49% equity interest of which is held by NVC Brasil Technology Co., Ltd.

"NVC China"	NVC Lighting (China) Co., Ltd.* (雷士照明（中國）有限公司) (formerly known as NVC Lighting (Chongqing) Co., Ltd* (重慶雷士實業有限公司)), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 7 November 2011 and our indirect wholly-owned subsidiary.
"ODM"	original design manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer's brand name.
"O2O"	Online to Offline, referring to the combination of business opportunity offline and internet to enable internet to become the platform of offline transactions.
"Reporting Period"	the year ended 31 December 2015.
"RMB"	Renminbi, the lawful currency of the PRC.
"Shanghai Arcata"	Shanghai Arcata Electronics Co., Ltd.* (上海阿卡得電子有限公司), a limited liability company incorporated in the PRC on 22 September 2005 and our indirect wholly-owned subsidiary.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Sunny"	Zhejiang Jiangshan Sunny Electron Co., Ltd.* (浙江江山三友電子有限公司), a limited liability company incorporated in the PRC on 2 July 1994 and our indirect wholly-owned subsidiary.
"U.S.A." or "U.S."	the United States of America, its territories, its possessions and all was subject to its jurisdiction.
"US$" or "U.S. dollars"	United States dollars, the lawful currency of the United States.
"UK NVC"	NVC Lighting Limited (formerly known as NVC (Manufacturing) Limited), a private company incorporated in England and Wales on 31 May 2007, and our direct wholly-owned subsidiary.
"we", "us" or "our"	the Company or the Group (as the context may require).
"Wu Ji"	Chongqing Wu Ji Real Estate Development Co., Ltd. * (重慶無極房地產開發有限公司), a limited liability company incorporated in the PRC which may potentially be associated with Mr. WU Changjiang.
"Zhangpu Phoebus"	Zhangpu Phoebus Lighting Co., Ltd.* (漳浦菲普斯照明有限公司), a limited liability company incorporated in the PRC on 9 May 2004 and our indirect wholly-owned subsidiary.

"Zhejiang NVC"	Zhejiang NVC Lamps Co., Ltd.* (浙江雷士燈具有限公司), a limited liability company incorporated in the PRC on 28 September 2007, a 51% equity interest of which is held by Huizhou NVC and the remaining 49% equity interest of which is held by Zhejiang Tonking New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司).
"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 of which is held by Huizhou NVC and the remaining 50% equity interest of which is held by Messrs LI Guanmin, SUN Chunhui and XU Zhenshan.

* Denotes English translation of the name of a Chinese or entity, or vice versa, and is provided for identification purposes only.

By Order of the Board
NVC LIGHTING HOLDING LIMITED
Chairman
WANG Donglei

Hong Kong, 5 April 2016

As at the date of this announcement, the directors of the Company are:

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