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NVC LIGHTING HOLDING LIMITED

雷士照明控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2222)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION**

SERVICES AGREEMENT

The Board announces that, on 18 May 2017, NVC HK, a wholly-owned subsidiary of the Company, entered into the Services Agreement with NVC Singapore, pursuant to which NVC Singapore has agreed to provide services in relation to lighting solutions and management of the distributors and dealers in the Asia Pacific and East Europe region for NVC HK.

LISTING RULES IMPLICATIONS

As at the date of this announcement, NVC HK is a wholly-owned subsidiary of the Company. NVC Singapore is a subsidiary of Mr. WANG Dongming, an executive Director of the Company. Mr. WANG Dongming holds 60% equity interest of NVC Singapore. Therefore, NVC Singapore is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Services Agreement constitute the connected transactions of the Company under the Listing Rules.

As one or more of the applicable Percentage Ratios calculated based on the annual caps of considerations under the Services Agreement is more than 0.1% but less than 5%, the transactions under the Services Agreement are subject to the reporting, announcement and annual review requirements, but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND INFORMATION

The Board announces that, on 18 May 2017, NVC HK, a wholly-owned subsidiary of the Company, entered into the Services Agreement with NVC Singapore, pursuant to which NVC Singapore has agreed to provided services in relation to lighting solutions and management of the distributors and dealers in the Asia Pacific and east Europe region for NVC HK.

SERVICES AGREEMENT

Principal Terms of the Services Agreement:

Parties	NVC HK (as the Purchaser); and NVC Singapore (as the Service Provider)
Services	Pursuant to the Services Agreement, NVC Singapore has agreed to provide the following services to NVC HK in accordance with the terms and conditions of the Services Agreement: (i) lighting solutions services, and (ii) management of the distributors and dealers in the Asia Pacific and east Europe region for NVC HK.
Price and Payment	Pursuant to the Services Agreement, NVC Singapore will charge consultant fee from NVC HK based on monthly expenses of human resources incurred by the Service Provider. Consultant fee includes salary, welfare, commission and bonus of employees of the Service Provider and entertainment expense, travel expense and other related expenses. The annual actual expenses depend on actual business developments and the related budget. NVC Singapore shall invoice NVC HK for the services that it has provided on or before 28th of each month.
Delivery of the Services	NVC Singapore shall commence the provision of the services on 1 January 2017 and shall complete/cease to provide the services by/on 31 December 2019 (the “ Completion Date ”).
Term of the Agreement	The Services Agreement shall be effective on 1 January 2017 and shall continue till the Completion Date unless terminated earlier in accordance with terms of the Services Agreement.

PROPOSED ANNUAL CAPS

The proposed annual caps of the considerations payable by NVC HK under the Services Agreement for each of the three years ending 31 December 2017, 2018 and 2019 are RMB5,000,000, RMB6,500,000 and RMB8,500,000, respectively. The Board determined the above annual caps after taking into account of (i) the historical amount of such transaction for the year of 2016, being around RMB1,860,000, and (ii) the growth of the demand in the services provided by NVC Singapore due to the expanding business in Asia Pacific and east Europe region of the Group.

REASONS FOR AND BENEFITS OF THE SERVICES AGREEMENT

The Group previously engaged NVC Singapore to provide solution and management services in Asia Pacific and east Europe region. The Board considered NVC Singapore can provide the Group with desirable profession services based on its personnel with professional knowledge and experience, which will meet the demand of the Group for its business overseas. The Board also considered that it will be commercially advisable to engage NVC Singapore to provide such services, as it is more cost-efficient than operating and managing such activities overseas by the Group itself.

Mr. WANG Dongming, who is the controlling shareholder and a director of NVC Singapore, has abstained from voting on the Services Agreement between NVC HK and NVC Singapore at the Board meeting as having material interests in the transactions between NVC HK and NVC Singapore. Apart from Mr. WANG Dongming, the remaining Directors (including the independent non-executive Directors) consider that the Services Agreement is entered into in the ordinary and usual course of business of the Group and in the interests of the Group and its shareholders as a whole, and the terms of the Services Agreement are on normal commercial terms and fair and reasonable.

INFORMATION OF THE PARTIES

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

NVC Singapore is an exempt private company incorporated in Singapore with limited liability, which is mainly engaged in general wholesale trade of lighting and electrical products, and retail sale via mail order or via Internet.

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DEFINITIONS

“Board”	the board of directors of the Company
“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. The issued Shares of the Company are listed on the main board of the The Stock Exchange of Hong Kong Limited
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NVC HK”	Hong Kong NVC Lighting Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“NVC Singapore”	NVC Lighting & Electrical Technology Singapore PTE. LTD., an exempt private company incorporated in Singapore with limited liability and a subsidiary of the Mr. WANG Dongming
“Percentage Ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Services Agreement”	the services agreement entered into between NVC HK (as the purchaser) and NVC Singapore (as the service provider) on 18 May 2017

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

Hong Kong, 18 May 2017

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

Executive Directors:

WANG Donglei
WANG Dongming
XIAO Yu
WANG Keven Dun

Non-executive Directors:

LI Huating
LI Wei
YANG Jianwen

Independent Non-executive Directors:

LEE Kong Wai, Conway
WANG Xuexian
WEI Hongxiong
SU Ling