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NVC 雷士照明
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)

CONNECTED TRANSACTION
ACQUISITION OF SHARES OF ETIC

THE ACQUISITION

The Board hereby announces that, it has resolved to acquire shares of ETIC (listed on the Shenzhen Stock Exchange, stock code: 002005) to the amount of no more than RMB110 million on market before 31 December 2017, having considered the benefits of such investments as set out in this announcement (including the Company's strategic cooperation relationship with ETIC).

LISTING RULES IMPLICATION

Immediately prior to the Acquisition, Mr. Wang Donglei indirectly held 20.94% of total issued shares of ETIC and was a substantial shareholder of ETIC. Mr. Wang Donglei is also the Chairman, Chief Executive Officer and executive Director of the Company. Although the Company will acquire shares of ETIC on market from the public, the Acquisition will be regarded as a connected transaction of the Company under Rule 14A.28 of the Listing Rules. As of the date of this announcement, ETIC indirectly holds approximately 26.32% of the Company's issued share capital.

Since one or more of applicable percentage ratios for the Acquisition under the Listing Rules are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND INFORMATION

The Board hereby announces that, it has resolved to acquire shares of ETIC (listed on the Shenzhen Stock Exchange, stock code: 002005) to the amount of no more than RMB110 million on market before 31 December 2017, having considered the benefits of such investments as set out in this announcement (including the Company's strategic cooperation relationship with ETIC).

The summary of the Acquisition is set out as follows:

Parties:	the Company and its subsidiaries (as purchaser) ETIC (as target company)
Acquisition Amount:	no more than RMB110 million before 31 December 2017
Acquisition Price	no more than RMB5.45 per share of ETIC. Assuming a purchase of price of RMB5.45 per share of ETIC, it is estimated that the total number of shares of ETIC to be acquired by the Company will be 20,183,486 shares, representing 1.45% of total issued shares of ETIC as at the date of the Announcement.

INFORMATION ON THE PARTIES

The Company

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

ETIC

ETIC is a company incorporated in the PRC with limited liability, which is principally engaged in production and sale of small household appliances and LED products. As of the date of this announcement, ETIC indirectly holds approximately 26.32% of the Company's issued share capital. Therefore, ETIC is a substantial shareholder of the Company under the Listing Rules.

Set out below is the financial information of ETIC for the two financial years ended 31 December 2016 in accordance with the China Accounting Standards of Business Enterprises as extracted from the 2015 and 2016 annual report of ETIC:

	For the year ended 31 December	
	2015	2016
	<i>Unit: RMB</i>	
Total profit (before tax)	30,217,707.93	62,502,464.79
Net profit (after tax)	14,131,285.34	27,831,687.09

REASONS FOR AND BENEFITS OF THE ACQUISITION

ETIC is an important business partner of the Company in its industrial chain. The strategic investment in ETIC will enhance the Company's strategic cooperation relationship with ETIC. ETIC is focusing on the production and sale of small household appliances and LED products in the PRC. With a positive outlook on the LED products market and the future performance of ETIC, the Company believes that the Acquisition presents a valuable investment opportunity for the Group to capture the potential growth of ETIC, which will bring benefits to the Group. The Company also considers that the current stock price of ETIC is also at a reasonable level and of investment value.

Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors) consider that the Acquisition is on normal commercial terms, fair and reasonable, and is in the interests of the Company and its Shareholders as a whole.

Mr. Wang Donglei, who concurrently serves as an executive Director and Chief Executive Officer of the Company and a director of ETIC, Mr. Li Huating, who concurrently serves as a non-executive Director of the Company and a director of ETIC, and Mr. Wang Dongming, brother of Mr. Wang Donglei and an executive Director of the Company, are deemed to have a material interest in the Acquisition and have abstained from voting on the Board resolution in relation to the Acquisition. Mr. Wang Keven Dun, son of Mr. Wang Donglei, has voluntarily abstained from voting on the Board resolution in relation to the Acquisition.

LISTING RULES IMPLICATION

Immediately prior to the Acquisition, Mr. Wang Donglei indirectly held 20.94% of total issued shares of ETIC and was a substantial shareholder of ETIC. Mr. Wang Donglei is also the Chairman, Chief Executive Officer and executive Director of the Company. Although the Company will acquire shares of ETIC on market from the public, the Acquisition will be regarded as a connected transaction of the Company under Rule 14A.28 of the Listing Rules.

Since one or more of applicable percentage ratios for the Acquisition under the Listing Rules are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since Huizhou NVC will acquire shares of ETIC on market at the market price, the fluctuation of stock price of ETIC will result in the change in the amount of shares of ETIC to be acquired by Huizhou NVC. If one or more of applicable percentage ratios for the Acquisition under the Listing Rules would reach 5% or more in the future, the Company will comply with the requirements under the Listing Rules accordingly.

DEFINITIONS

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

“Acquisition”	acquisition of the shares of ETIC by the Company and its subsidiaries before 31 December 2017 pursuant to the Board resolution of the Company
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“ETIC”	Elec-Tech International Co., Ltd. (廣東德豪潤達電氣股份有限公司), a company with limited liability incorporated in the PRC which is currently listed on the Shenzhen Stock Exchange and a substantial shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Percentage Ratios”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share”	ordinary share(s) of US\$0.0000001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

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

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

Hong Kong, 12 June 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