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雷士照明控股有限公司

NVC Lighting Holding Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2222)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Prospectus, in which the Company disclosed, among others, relevant information with respect to the continuing connected transactions between the Group and Chongqing En Wei Xi in relation to the framework contract manufacturing agreement (the “**Framework Agreement**”).

It has come to the attention of the Board that the total amount paid by the Company for the outdoor luminaires supplied and sold by Chongqing En Wei Xi under the Framework Agreement during the year ended 31 December 2011 exceeded the original annual cap stated in the Prospectus. Upon being aware of the exceeding of the existing annual caps, the Board has taken immediate actions to approve, confirm and ratify the transactions under this agreement during the year ended 31 December 2011, and revise up the original annual caps for the year ended 31 December 2011 and the year ending 31 December 2012 in relation to the Framework Agreement (the “**Original Caps**”).

Pursuant to the Listing Rules, if an annual cap is exceeded in respect of a given transaction, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. Given that the applicable Percentage Ratios for the revised annual caps are less than 5%, the transactions under the Framework Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from the independent shareholders’ approval requirement.

Reference is made to the Prospectus, in which the Company disclosed, among others, relevant information with respect to the continuing connected transactions between the Group and Chongqing En Wei Xi in relation to the Framework Agreement.

BACKGROUND INFORMATION

On 20 April 2010, the Company entered into the Framework Agreement with Chongqing En Wei Xi, which is an associate of Mr. Wu, pursuant to which Chongqing En Wei Xi, as a contract manufacturer, produces and supplies to us outdoor luminaires based on our design and technical

standards and labels those outdoor luminaires with our brands. According to this agreement, Chongqing En Wei Xi is not permitted to cooperate with other contract manufacturing clients whose products are identical or similar to ours during the contract period. The prices charged by Chongqing En Wei Xi will be agreed following arm's length negotiations between the relevant parties with reference to the prevailing market rates. As such, the Directors consider that the terms of the Framework Agreement are on normal commercial terms. The term of the Framework Agreement is three years commencing on 20 May 2010.

As disclosed in the Prospectus, the Original Caps for the year ended 31 December 2011 and the year ending 31 December 2012 were expected to be no more than US\$6.59 million and US\$9.88 million, respectively.

REVISIONS TO THE ORIGINAL CAPS

During the preparation of the annual financial statements of the Company for the year ended 31 December 2011, it came to the attention of the Board that the total amount paid by the Company for the outdoor luminaires supplied and sold by Chongqing En Wei Xi under the Framework Agreement during the year ended 31 December 2011 was approximately US\$7.55 million, thus exceeding the 2011 cap stated in the Prospectus, namely US\$6.59 million, by an amount of approximately US\$0.96 million.

In arriving at the Original Caps, the Directors have considered, among other things, the purchase from Chongqing En Wei Xi of the contract manufacturing products at the time of entering into the agreement and the then prevailing estimated prices for the receipt of similar services from third party manufacturers during the terms of the agreement. However, as the market demand for outdoor luminaires for the year ended 31 December 2011 was better than expected, which is difficult for Directors to estimate at the time when the Framework Agreement was entered into, we consequently purchased more outdoor luminaires manufactured by Chongqing En Wei Xi towards the end of 2011, and the total amount paid by us to Chongqing En Wei Xi in 2011 has exceeded the cap for the year ended 31 December 2011.

Upon being aware of the exceeding of the existing annual caps, the Board has taken immediate actions to approve, confirm and ratify the transactions under the Framework Agreement during the year ended 31 December 2011, and revise up the Original Caps.

With the continued development in the business of the Company and Chongqing En Wei Xi, and based on the internal estimates of the demand and market for the outdoor luminaires produced by Chongqing En Wei Xi, the Board notes that the Original Caps will not be sufficient for the Group's business, and therefore has approved, confirmed and ratified the transactions under this agreement during the year ended 31 December 2011, and has revised up the Original Caps as follows:

| For the year ended 31 December 2011 | For the year ending 31 December 2012 |
|--|---|
| (US\$ million) | (US\$ million) |

| | | |
|----------------------|------|-------|
| Original annual caps | 6.59 | 9.88 |
| Revised annual caps | 7.70 | 19.00 |

In determining the revised annual caps, the Board took into account, among others, the latest market conditions and demand for outdoor luminaires, the expected increase in purchase price for similar services from third parties, in particular, the recent increase in labour costs and raw material costs, as well as the latest review of the our future expansion strategy.

HISTORICAL AMOUNTS

The historical figures of the fees paid by us to Chongqing En Wei Xi for the years ended 31 December 2010 and 2011 were US\$2.05 million and US\$7.55 million, respectively.

REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT

To further promote our brand name and broaden our product offering, we have entered into the Framework Agreement with Chongqing En Wei Xi, for the production of certain outdoor luminaires. These products are complementary to our existing product portfolio. The Company wishes to outsource the manufacturing process of HID street lamps, LED street lamps and street lamp posts to enhance the efficiency of our operations and our Directors are of the view that the fees charged by Chongqing En Wei Xi are competitive. As such, the Board (including the independent non-executive Directors) considers that the terms of the Framework Agreement (including the revised annual caps for the year ended 31 December 2011 and the year ending 31 December 2012) are on normal commercial terms and fair and reasonable, and were entered into in the ordinary and usual course of the business of the Group and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP AND THE COUNTERPARTIES

The Company is a leading supplier of lighting products in China. We design, develop, produce, market and sell a variety of lighting products, with a strong focus on energy-saving products.

Chongqing En Wei Xi is incorporated in the PRC and is owned as to 49.67% by Mr. Wu Xianming, Mr. Wu's father-in-law. Accordingly, Chongqing En Wei Xi is an associate of Mr. Wu under the Listing Rules and a connected person of the Company. Chongqing En Wei Xi is principally engaged in the production and sale of HID street lights, LED street lights and street lamp posts.

LISTING RULES IMPLICATIONS

As Chongqing En Wei Xi is an associate of Mr. Wu and thus a connected person of the Company, the transactions under the Framework Agreement constitute continuing connected transactions of the Company under Rule 14A.13(1)(a) and Rule 14A.14 of the Listing Rules. As such, Mr. Wu has abstained from voting on the relevant board resolutions to approve the relevant revised annual caps and ratify the transactions and the annual caps for the year ended 31 December 2011 under the Framework Agreement.

Pursuant to the Listing Rules, if an annual cap is exceeded in respect of a given transaction, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions. Given that the applicable Percentage Ratios for the revised annual caps are less than 5%, the transactions under the Framework Agreement are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempted from the independent shareholders' approval requirement.

DEFINITIONS

| | |
|---------------------------|--|
| “associate” | has the meaning ascribed thereto under the Listing Rules |
| “Board” | the board of directors of the Company |
| “China” or “PRC” | the People’s Republic of China, which for the purpose of this announcement, shall not include Hong Kong Special Administrative Region, Macau Special Administrative Region of the PRC and Taiwan |
| “Chongqing En Wei Xi” | 重慶恩緯西實業發展有限公司(Chongqing En Wei Xi Industrial Development Co., Ltd.*), a limited liability company incorporated in the PRC and owned as to 49.67% by Mr. Wu Xianming, Mr. Wu’s father-in-law |
| “Company” | NVC Lighting Holding Limited |
| “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 |
| “HID” | high intensity discharge |
| “LED” | light emitting diode, a semiconductor device that emits visible light when an electric current passes through it. The colour of the emitted light depends on the chemical composition of the semi-conducting material used, and can be near-ultraviolet, visible or infrared |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Mr. Wu” | the chairman, chief executive officer, an executive Director and a substantial shareholder of the Company |
| “Percentage Ratios” | shall have the meaning ascribed to it under Chapter 14 of Listing Rules |
| “Prospectus” | the prospectus dated 7 May 2010 issued by the Company in connection with its Hong Kong public offering |
| “Substantial shareholder” | has the meaning ascribed thereto under the Listing Rules |
| “US\$” | United States dollars, the lawful currency of the United States |
| “we”, “us” or “our” | Our Company or our Group (as the context may require) |
| % | 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

WU Changjiang

Chairman

Hong Kong, 27 February 2012

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

Executive Directors:

WU Changjiang

MU Yu

Non-executive Directors:

YAN Andrew Y

LIN Ho-Ping

HUI Ming Yunn, Stephanie

ZHU Hai

Independent non-executive Directors:

Alan Russell POWRIE

Karel Robert DEN DAAS

WANG Jinsui