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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)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that, on 23 May 2016 (after trading hours), the Company and the Subscriber entered into a Subscription Agreement pursuant to which the Subscriber conditionally agreed to subscribe and the Company conditionally agreed to allot and issue in aggregate a total of 85,000,000 Subscription Shares at the Subscription Price of HK\$0.83 per Subscription Share.

The Subscription Shares represent approximately 2.72% of the issued share capital of the Company as at the date of this announcement and approximately 2.65% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

To the best of the knowledge of the Directors, having made all reasonable enquiries, the Subscriber is an Independent Third Party.

The Subscription Shares will be allotted and issued under the General Mandate. The Subscription is conditional upon the Stock Exchange granting the listing of and permission to deal in the Subscription Shares. If such condition is not fulfilled, the Subscription will not proceed.

WARNING: Shareholders and potential investors should note that completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

23 May 2016 (after trading hours)

Parties

Issuer: The Company

Subscriber: Mr. Ye Yong

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries and as at the date of this announcement, the Subscriber is a third party independent of and is not a connected person of the Company.

The Subscription

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue in aggregate a total of 85,000,000 Subscription Shares at the Subscription Price of HK\$0.83 per Subscription Share, representing approximately 2.72% of the issued share capital of the Company as at the date of this announcement and approximately 2.65% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. At par value of US \$0.0000001 each Share, the nominal value of the Subscription Shares is US\$8.5 (approximately HK\$65.98).

Subscription Price

The Subscription Price of HK\$0.83 per Subscription Share represents:

- (i) a discount of approximately 3.49% to the closing price of HK\$0.86 per Share as quoted on the HKSE on 23 May 2016, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 4.60% to the average of the closing prices of approximately HK\$0.87 per Share as quoted on the HKSE for the last five trading days immediately before 23 May 2016, being the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to, among others, the market price of the Shares.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Completion Date and will be issued free and clean of all liens, encumbrances, equities or other third party rights.

Conditions Precedent

Completion of the Subscription shall be conditional upon the following conditions precedent being satisfied (or, if applicable, waived):

- (1) the approval from the HKSE for the listing of, and permission to deal in, the Subscription Shares; and
- (2) the General Mandate has not been revoked.

General Mandate

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Board at the annual general meeting of the Company held on 30 June 2015. Under the General Mandate, the Directors can allot, issue and deal with Shares, not exceeding the aggregate of 20% of the entire issued share capital of the Company in issue on the date of such annual general meeting, which amounted to 625,689,600 Shares.

As at the date of this announcement, there has been no Shares issued under the General Mandate. The Subscription Shares will be allotted and issued under the General Mandate and no Shareholders' approval is required.

Completion

Completion shall take place on the date which is two Business Days after the date on which the Company notifies the Subscriber that all conditions precedent have been fulfilled or waived, or such other date as agreed to in writing between the Company and the Subscriber.

APPLICATION FOR LISTING

The Company shall apply to the HKSE for the granting of the listing of, and permission to deal in, the Subscription Shares.

EQUITY FUND RAISING ACTIVITY IN THE LAST 12 MONTHS

The Company did not conduct any fund raising exercise by way of issue of equity securities in the past 12 months immediately preceding the date of this announcement.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Subscription is as follows (assuming there will not be any change in the issued share capital of the Company from the date of the Subscription Agreement to the Completion Date save for the allotment and issue of the Subscription Shares):

Shareholders	As at date of this announcement		Immediately after completion of Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Elec-Tech International (H.K.) Company Limited (<i>Note 1</i>)	845,746,000	27.03	845,746,000	26.32
SB Asia Investment Fund II L.P.	578,711,000	18.50	578,711,000	18.01
Schneider Electric Asia Pacific Limited	288,371,000	9.22	288,371,000	8.97
GS Direct, L.L.C	177,351,000	5.67	177,351,000	5.52
Public Shareholders	1,238,269,000	39.58	1,238,269,000	38.53
The Subscriber	0	0	85,000,000	2.65
Total	<u>3,128,448,000</u>	<u>100.00</u>	<u>3,213,448,000</u>	<u>100.00</u>

Notes:

1. Elec-Tech International (H.K.) Company Limited is a wholly-owned subsidiary of ETIC hence ETIC is deemed to be interested in all these shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in lighting products in China. It designs, develops, produces, markets and sells a variety of lighting products, with a strong focus on energy-saving products.

The Directors have considered various ways of raising additional funds for future use and they consider that the issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since the shareholder base of the Company will be enlarged, the capital base of the Company can be broadened at a relatively low cost compared to bank borrowings or the issue of debt securities, and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group. The Board considers that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Subscription will amount to approximately HK\$70,550,000. After deducting the relevant expenses, the estimated net proceeds from the issue of the Subscription Shares amount to approximately HK\$70,000,000. The net price for each Subscription Share is estimated to be approximately HK\$0.824. The Company intends to use the net proceeds for general corporate and business development and working capital requirements.

INFORMATION ON THE GROUP

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

INFORMATION ON THE SUBSCRIBER

The Subscriber is a distributor of the Company in Sichuan and has more than ten years of experience in the lighting industry.

WARNING: Shareholders and potential investors should note that Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the meanings set out below:

“Board”	the board of directors of the Company
“Business Day”	a day other than Saturday, Sunday and public holiday on which banks are open for general business in Hong Kong and on which the HKSE is open for business of dealing in securities
“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
“Company”	NVC Lighting Holding Limited
“Completion Date”	the date on which the Completion shall take place, which shall be two Business Days after the satisfaction or waiver of the conditions precedent, or such other date as agreed to in writing between the Company and the Subscribers
“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
“General Mandate”	the general mandate granted to the Directors by the resolution of the Shareholders passed at the annual general meeting of the Company held on 30 June 2015 to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of the relevant resolution
“Group”	the Company and its subsidiaries
“HKSE” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial Shareholder (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associate(s)
“LED”	Light-Emitting Diode
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of US\$0.0000001 each in the share capital of the Company
“Shareholders”	registered holders of the Shares
“Subscriber”	Mr. Ye Yong
“Subscription”	The subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscribers dated 23 May 2016 in relation to the issue of new Shares
“Subscription Price”	the subscription price of HK\$0.83 per Subscription Share
“Subscription Shares”	85,000,000 new Shares to be subscribed under the Subscription
“substantial shareholder(s)”	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

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

Hong Kong, 23 May 2016

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

Executive Directors:

WANG Donglei
WANG Dongming
XIAO Yu
XIONG Jie

Non-executive Directors:

LIN Ho-Ping
ZHU Hai
LI Wei

Independent Non-executive Directors:

LEE Kong Wai, Conway
WU Ling
WANG Xuexian
WEI Hongxiong