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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  
NOTIFIABLE AND CONNECTED TRANSACTION  
ACQUISITION OF 25% EQUITY INTEREST IN THE TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that the Company's wholly-owned subsidiary, NVC HK, has entered into the Equity Transfer Agreement with the Transferor, Gold Interact Investment Limited on 11 November 2016. Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 25% equity interest in the Target Company. As of the date of this announcement, the Target Company is a subsidiary of the Company in which the Company holds a 75% equity interest; the Target Company holds a series of international patents of New Age LED Semi-Conductor and a 50% equity interest in Zhongshan NVC.

The total consideration for the Second Acquisition is determined to be RMB225,000,000. NVC HK will pay the consideration of RMB210,000,000 to the Transferor within 5 business days after the Completion and the remaining payable amount after receiving the audited net profit (after tax) of Zhongshan NVC for the year of 2016. Upon Completion, the Company will hold a 100% equity interest in the Target Company.

**LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.22 of the Listing Rules, the Second Acquisition will be aggregated with the First Acquisition which was completed within a 12-month period as a single series of transactions. Since one or more of applicable percentage ratios for the Acquisition under the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction.

Prior to the date of the Equity Transfer Agreement, the Transferor holds a 25% equity interest in the Target Company, and the Company holds the remaining 75% equity interest in the Target Company through NVC HK. Thus the Transferor is a substantial shareholder (as defined in the Listing Rules) of the Target Company and a connected person (as defined in the Listing Rules) of the Company at the subsidiary level, and the Second Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.81 of the Listing Rules, the Second Acquisition will be aggregated with the First Acquisition which was completed within a 12-month period as a single series of transactions.

Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Transferor is a connected person of the Company at the subsidiary level only; (ii) the Second Acquisition is conducted on normal commercial terms; (iii) the Board has approved the Second Acquisition; and (iv) the Directors, including the independent non-executive Directors, have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, and the transaction contemplated thereunder is on normal commercial terms, and in the interests of the Company and its shareholders as a whole, the Equity Transfer Agreement 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.

The Board is pleased to announce that the Company's wholly-owned subsidiary, NVC HK, has entered into the Equity Transfer Agreement with the Transferor on 11 November 2016. Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 25% equity interest in the Target Company. Upon Completion, the Company will hold a 100% equity interest in the Target Company which holds a 50% equity interest in Zhongshan NVC. The principal terms and conditions of the Equity Transfer Agreement are set out below:

## **EQUITY TRANSFER AGREEMENT**

### **(1) Date**

11 November 2016

### **(2) Parties**

Transferee: NVC HK

Transferor: Gold Interact Investment Limited

### **(3) Assets to Be Acquired**

Pursuant to the Equity Transfer Agreement, NVC HK agrees to acquire, and the Transferor agrees to sell, 25% equity interest in Target Company. As of the date of this announcement, the Company holds the a 75% equity interest in the Target Company. The Target Company holds a series of international patents of New Age LED Semi-Conductor and a 50% equity interest in Zhongshan NVC.

### **(4) Consideration and Payment**

The consideration of the Second Acquisition is determined to be RMB225,000,000. The consideration will be paid in the following manner:

- (a) within 5 business days after the Completion, NVC HK will pay to the Transferor a sum of RMB210,000,000;
- (b) upon receipt of the audited net profit (after tax) of Zhongshan NVC for the year of 2016 (the "Net Profit"), NVC HK will pay the remaining amount adjusted according to the Net Profit.

The consideration is determined after arm's length negotiations between the parties and with reference to: (i) the intellectual properties owned by the Target Company and their future applications; and (ii) the profitability of Zhongshan NVC.

## **(5) Conditions Precedent**

Completion is conditional upon the following conditions to be fulfilled:

- (a) The Transferor and the Transferee have obtained the shareholder and/or board approvals as required by the Listing Rules, articles of associations of the Transferor and the Transferee and other applicable laws and regulations regarding the Second Acquisition; and
- (b) All necessary approvals from competent authorities regarding the Second Acquisition have been obtained.

## **(6) Completion**

Completion is expected to take place on the signing date of the Equity Transfer Agreement after all the conditions precedent are fulfilled. Upon Completion, the Company will hold a 100% equity interest in the Target Company.

## **INFORMATION ON THE PARTIES**

### **The Company**

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.

### **NVC HK**

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 HK is a wholly-owned subsidiary of the Company.

### **The Transferor**

Gold Interact Investment Limited is a company with limited liability incorporated in Hong Kong, which indirectly owns 25% equity interest in the Target Company and is engaged in investment holding. Since the Company also indirectly owns a 75% equity interest in the Target Company, Gold Interact Investment Limited constitutes a connected person of the Company at the subsidiary level (as defined in the Listing Rules). Apart from its interest in the Target Company, the Transferor is otherwise an independent third party of the Company.

### **Target Company**

LED Holdings Limited is a company with limited liability incorporated in Hong Kong on 17 November 2015, which is mainly engaged in investment holding, research and development of LED semi-conductor technologies and relevant applications. As of the date of this announcement, the Company owns a 75% equity interest of the Target Company, and the Transferor owns the remaining 25% equity interest.

In accordance with management accounts of the Target Company, as of 31 December 2015, the Target Company's unaudited total assets were RMB18.15 million, the unaudited equity attributable to the equity holders was RMB75,572. For the year ended 31 December 2015, the Target Company's unaudited loss was RMB8,206.

### **Zhongshan NVC**

Zhongshan NVC is a company with limited liability incorporated in the PRC on 26 January 2015. The scope of business of Zhongshan NVC consists of research, design, production, sales of lamps, electric accessories of lamps and other lighting and LED products. As of the date of this announcement, Huizhou NVC holds 50% equity interest in Zhongshan NVC, and the other 50% equity interest is held by the Target Company.

In accordance with management accounts of Zhongshan NVC, as of 31 December 2015, Zhongshan NVC's unaudited total assets were RMB201.42 million, the unaudited equity attributable to the equity holders was RMB46.61 million. For the year ended 31 December 2015, Zhongshan NVC's unaudited profit before tax was RMB122.15 million and the unaudited profit after tax was RMB91.61 million.

### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Board considers that the intellectual properties owned by the Target Company will benefit the Company in its technology upgrading and new products development, hence enhancing the Company's competitiveness, developing the international market of its products and improving the Company's performance. In addition, as Zhongshan NVC is an important businesses operation unit and growth point of the Company, the Board considers that the Company will benefit from Zhongshan NVC's advantages in research, design, production, sales of lamps, electric accessories of lamps and other lighting and LED products through increasing shareholdings in Zhongshan NVC, which can in turn achieve greater economic efficiency and development potential.

The Directors (including the independent non-executive Directors) consider that the terms of the Second Acquisition are fair and reasonable, the Second Acquisition is on normal commercial terms and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the Second Acquisition or is required to abstain from voting on the resolutions for the approval of the Second Acquisition.

### **LISTING RULES IMPLICATIONS**

Pursuant to Rule 14.22 of the Listing Rules, the Second Acquisition will be aggregated with the First Acquisition which was completed within a 12-month period as a single series of transactions. Since one or more of applicable percentage ratios for the Acquisition under the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction.

Prior to the date of the Equity Transfer Agreement, the Transferor holds 25% equity interest in the Target Company and the Company holds the remaining 75% equity interest in the Target Company through NVC HK. Thus the Transferor is a substantial shareholder (as defined in the Listing Rules) of the Target Company and a connected person (as defined in the Listing Rules) of the Company at the subsidiary level, and the Second Acquisition will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.81 of the Listing Rules, the Second Acquisition will be aggregated with the First Acquisition which was completed within a 12-month period as a single series of transactions.

Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Transferor is a connected person of the Company at the subsidiary level; (ii) the Second Acquisition is conducted on normal commercial terms; (iii) the Board has approved the Second Acquisition; and (iv) the Directors, including the independent non-executive Directors, have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms, and in the interests of the Company and its shareholders as a whole, the Equity Transfer Agreement 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.

## DEFINITIONS

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

“Acquisition”	First Acquisition and Second Acquisition
“Board”	the board of directors of the Company
“Company”	NVC Lighting Holding Limited, 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
“Completion”	completion of the Second Acquisition in accordance with the terms and conditions of the Equity Transfer Agreement
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 11 November 2016, pursuant to which NVC HK agrees to acquire and the Transferor agrees to sell, 25% equity interest in the Target Company
“First Acquisition”	the acquisition of a 75% equity interest in the Target Company by NVC HK pursuant to the equity transfer agreement dated 3 February 2016
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huizhou NVC”	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly-owned subsidiary of the Group that established Zhongshan NVC and holds 50% of the equity interest in Zhongshan NVC
“Target Company”	LED Holdings Limited, a company with limited liability incorporated in Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“NVC HK” or “Transferee”	Hong Kong NVC Lighting Limited, a company with limited liability incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Transferor”	Gold Interact Investment Limited, a company holding 25% equity interest in the Target Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Acquisition”	the acquisition of a 25% equity interest in the Target Company by NVC HK pursuant to the Equity Transfer Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 is held by Huizhou NVC, and the other 50% equity interest is held by the Target Company

\* *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, 11 November 2016

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

*Executive Directors:*

WANG Donglei  
WANG Dongming  
XIAO Yu

*Non-executive Directors:*

ZHU Hai  
LI Wei  
YANG Jianwen

*Independent Non-executive Directors:*

LEE Kong Wai, Conway  
WANG Xuexian  
WEI Hongxiong