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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 2 June 2017 (after trading hours), the Company and the Subscribers entered into the Subscription Agreement pursuant to which the Subscribers conditionally agreed to subscribe and the Company conditionally agreed to allot and issue in aggregate a total of 368,357,000 Subscription Shares at the Subscription Price of HK\$0.8 per Subscription Share.

The Subscription Shares represent approximately 11.46% of the issued share capital of the Company as at the date of this announcement and approximately 10.28% 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, each of the Subscribers is an Independent Third Party.

The Subscription Shares will be allotted and issued under the General Mandate. The Subscription is conditional upon, among others, 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 may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

2 June 2017 (after trading hours)

Parties

Issuer: The Company

Subscribers: Rising Wealth Limited
Lead Investment Limited
Mr. Ye Yong
Mr. Feng Chuntian
Ms. Zou Xiaoyang

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

The Subscription

Pursuant to the Subscription Agreement, the Subscribers have conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue in aggregate a total of 368,357,000 Subscription Shares at the Subscription Price of HK\$0.8 per Subscription Share, representing approximately 11.46% of the issued share capital of the Company as at the date of this announcement and approximately 10.28% 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\$36.84 (approximately HK\$286.62).

Subscription Price

The Subscription Price of HK\$0.8 per Subscription Share represents:

- (i) a discount of approximately 8.05% to the closing price of HK\$0.87 per Share as quoted on the HKSE on 2 June 2017, being the date of the Subscription Agreement; and
- (ii) a discount of approximately 8.05% 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 2 June 2017, being the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscribers 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;
- (2) no obligations or responsibilities that are unacceptable to the Subscribers having been imposed by the HKSE on the Company or the Subscribers;
- (3) there being no material adverse changes to the business, assets, debt obligations, financial position, operational results and prospect of the Company;
- (4) the Company not being in violation of any applicable laws or in breach of any provisions under the Subscription Agreement prior to completion of the Subscription, and all representations and warranties provided by the Company being true, complete, accurate and not misleading; and
- (5) the General Mandate not having 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 15 June 2016. 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 passing of the relevant resolution at 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 of the Subscription shall take place on or before the date which is three Business Days after the date on which the Company notifies the Subscribers that all conditions precedent have been fulfilled or waived, or such other date as agreed to in writing between the Company and the Subscribers.

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

On 20 May 2016, the Company and an independent third party entered into a subscription agreement in relation to the issue of convertible bonds denominated in HK dollars in an aggregate principal amount of HK\$500,000,000. The convertible bonds have been issued on 7 June 2016. As at the date of this announcement, no convertible bonds have been converted into shares of the Company.

On 23 May 2016, the Company and the subscriber Mr. Ye Yong entered into a subscription agreement, pursuant to which Mr. Ye Yong conditionally agreed to subscribe and the Company conditionally agreed to allocate and issue in aggregate a total of 85,000,000 ordinary shares at the subscription price of HK\$0.83 per share. The subscription has been completed and net proceeds of approximately HK\$70,000,000 after deducting relevant expenses, has been received by the Company. As at the date of this announcement, the net proceeds was used for general corporate and business development and working capital requirements.

For further information, please refer to the announcements of the Company dated 20 May 2016 and 23 May 2016.

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	26.32	845,746,000	23.61
SB Asia Investment Fund II L.P.	578,711,000	18.01	578,711,000	16.16
Schneider Electric Asia Pacific Limited	288,371,000	8.97	288,371,000	8.05
GS Direct, L.L.C.	177,351,000	5.52	177,351,000	4.95
The Subscribers				
Rising Wealth Limited	0	0	145,000,000	4.05
Lead Investment Limited	0	0	13,950,000	0.39
Mr. Ye Yong	90,350,000	2.81	269,757,000	7.53
Mr. Feng Chuntian	0	0	15,000,000	0.42
Ms. Zou Xiaoyang	0	0	15,000,000	0.42
Other Public Shareholders	1,232,919,000	38.37	1,232,919,000	34.42
Total	<u>3,213,448,000</u>	<u>100.00</u>	<u>3,581,805,000</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\$294,685,600. After deducting the relevant expenses, the estimated net proceeds from the issue of the Subscription Shares amount to approximately HK\$294,000,000. The net price for each Subscription Share is estimated to be approximately HK\$0.798. 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 SUBSCRIBERS

Rising Wealth Limited is a limited company incorporated in Hong Kong which primarily engages in businesses including marketing services, international trade and investment business.

Lead Investment Limited is a company incorporated in the Cayman Islands with limited liability which primarily engages in investment business.

Mr. Ye Yong is a distributor of the Company in Sichuan and has more than ten years of experience in the lighting industry.

Mr. Feng Chuntian has more than ten years of experience in the lighting industry and owns a diversified enterprise which engages in businesses including lighting design, infrastructure construction, electronic commerce and channel operations.

Ms. Zou Xiaoyang has extensive management 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 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 of the Subscription shall take place, which shall be within three 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 15 June 2016 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) the Company
“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
“Subscribers”	Rising Wealth Limited, Lead Investment Limited, Mr. Ye Yong, Mr. Feng Chuntian and Ms. Zou Xiaoyang
“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 2 June 2017 in relation to the issue of new Shares
“Subscription Price”	the subscription price of HK\$0.8 per Subscription Share
“Subscription Shares”	368,357,000 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, 4 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