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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)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF 40% EQUITY INTEREST IN THE TARGET COMPANY**

The Board is pleased to announce that the Company has entered into the Sale and Purchase Agreement with the Seller on 16 March 2018 (after trading hours), pursuant to which, the Company agrees to acquire, and the Seller agrees to sell, a 40% equity interest in the Target Company which controls a business engaged in the sale and distribution of lighting products through e-commerce platforms and distribution channels.

As one or more of the applicable Percentage Ratios calculated in respect of the Acquisition under the Sale and Purchase Agreement is more than 5% but less than 25%, the Acquisition is a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that the Company has entered into the Sale and Purchase Agreement with the Seller on 16 March 2018 (after trading hours), pursuant to which, the Company agrees to acquire, and the Seller agrees to sell, a 40% equity interest in the Target Company at a consideration of RMB315,000,000.

**THE SALE AND PURCHASE AGREEMENT**

The principal terms and conditions of the Sale and Purchase Agreement are set out below:

**Date** 16 March 2018

**Parties** Purchaser: the Company

Seller: Roman International (HK) Co., Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Seller and its ultimate beneficial owner(s) are a third parties independent of the Company and its connected persons.

<b>Assets to be acquired</b>	Pursuant to the Sale and Purchase Agreement, the Company agrees to acquire, and the Seller agrees to sell, 40% equity interest in the Target Company.
<b>Consideration and payment</b>	<p>The consideration of the Acquisition is RMB315,000,000, which shall be paid by the Company to the Seller within 5 business days after Completion on an one-off basis, provided that the Seller has fulfilled its obligations under the Sale and Purchase Agreement.</p> <p>The consideration of the Acquisition was determined after arm's length negotiations between the Company and the Seller after having taken into account: (i) the historical operating results of the Target Group, and (ii) the valuation performed by a third-party valuer.</p>
<b>Undertaking by the Seller</b>	<p>The Seller undertakes to the Company that, if the 2018 Actual Net Profit of the Target Group is lower than the Minimum Guaranteed Profit, the Seller shall pay the Purchase Price Compensation in cash as calculated below to the Company within 90 business days after the Target Group issues its 2018 accountants' reports.</p> $\text{Purchase Price Compensation} = (\text{Minimum Guaranteed Profit} - \text{2018 Actual Net Profit}) \times 6.4$
<b>Conditions precedent</b>	<p>Completion is conditional upon the following conditions being fulfilled:</p> <ul style="list-style-type: none"> <li>(i) the Company has completed the due diligence on the Target Group with respect to its operation, financial situation and legal issues, the results of which are to the Company's satisfaction;</li> <li>(ii) all the relevant undertakings remain true and accurate and not misleading;</li> <li>(iii) the Seller has fulfilled or complied with all the relevant undertakings and obligations before Completion as required under the Sale and Purchase Agreement;</li> <li>(iv) the Board has duly passed the resolution to approve, among others, the Sale and Purchase Agreement and the Acquisition;</li> <li>(v) if applicable, shareholders of the Company has duly passed the resolution to approve, among others, the Sale and Purchase Agreement and the Acquisition in accordance with the requirements under the Listing Rules;</li> </ul>

- (vi) all relevant approval, registration, permission, filing, waiver and renunciation have been duly acquired from the government authorities or any other third party;
- (vii) all the required permission and approval have been made by any government, authority or regulatory, with no orders, law or regulations proposed, promulgated or adopted by any government, authority or regulatory to forbid or restrict the Acquisition;
- (viii) the Seller has provided to the Company (and the Company accepts) a list of assets, debts, products, business, commercial contracts and labour contracts which will be substantially effected by the Acquisition;
- (ix) there has been no material adverse changes since the signing of the Sale and Purchase Agreement up to and including the date of Completion;
- (x) there is no final, pending or potential litigation, investigation, inspection, order, judgement or decree against the Seller or any member of the Target Group which will materially and adversely affect its ability to perform any obligation under the Sale and Purchase Agreement;
- (xi) a PRC legal opinion to the Company's satisfaction has been issued by the Seller's PRC legal advisor approved by the Company;
- (xii) a Hong Kong legal opinion to the Company's satisfaction has been issued by the Seller's Hong Kong legal advisor approved by the Company;
- (xiii) the Target Group has established a proper legal and operational structure to the Company's satisfaction;
- (xiv) the 2017 accountants' reports of the Target Group has been provided to the Company to its satisfaction;
- (xv) the senior management and key personnel has entered into labour or service agreements, transfer of intelligence property agreements, confidentiality agreements, non-competition and non-solicitation agreements with the Target Group, the content and form of which are to the Company's satisfaction; and
- (xvi) the Seller and other related parties of the Acquisition (except the Company) has duly executed and provided the Company with related transaction documents.

**Completion** Completion is expected to take place on the fifth business day or another date as the parties may agree in writing after all the conditions precedent as set out above having been fulfilled or waived by the Company. Upon Completion, the Company will hold 40% equity interest in the Target Company.

## **INFORMATION OF THE COMPANY**

### **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.

### **The Seller**

The Seller is a limited company incorporated in Hong Kong. Its principal business activities involve trade and investment of luminaire, luminaire components and LED lighting products.

## **INFORMATION OF THE TARGET GROUP**

The Target Company is a limited company incorporated in Hong Kong. Its business activities involve investment holding, design and development of lighting, LED and home appliances, promotion and communications, technology consulting and international trade.

Wuhu NVC is a limited company incorporated in the PRC. The principal business of Wuhu NVC and its subsidiaries is the sale and distribution of lighting products through e-commerce platforms and distribution channels.

As at the date of this announcement, the Target Company indirectly holds 85% equity interest in Wuhu NVC and the Company indirectly holds 10% equity interest in Wuhu NVC. Upon Completion, the Company will hold 40% equity interest in the Target Company, and indirectly hold, in aggregate, 44% equity interest in Wuhu NVC.

The Target Group will not be consolidated in the accounts of the Company upon Completion.

## **FINANCIAL INFORMATION**

Set out below is the unaudited consolidated financial information of the Target Company for the two years ended 31 December 2016 and 2017, respectively, extracted from its management accounts:

	<b>Financial year ended 31 December 2016 <i>RMB in million</i></b>	<b>Financial year ended 31 December 2017 <i>RMB in million</i></b>
Profit/(loss) before tax	72	157
Profit/(loss) after tax	54	100

## REASONS FOR AND BENEFITS OF THE TRANSACTION

In the past two years, the profitability of lighting product manufacturers shrunk due to sustained increase in costs of certain metal raw material, components and labour. In 2018, in order to strengthen its core competitiveness and achieve sustainable development, the Group formulated a strategy of gradually transforming from a manufacturing enterprise to a channel enterprise.

The Acquisition will strengthen the Company's ability to develop and/or cooperate with online-to-offline sales and distribution channels. Following the Acquisition, the Company will continue to expand the variety of its sales and distribution channels and benefit from the collection, analysis and application of big data in respect of consumer behaviour.

The Company will closely monitor the business and financial performance of the Target Group and will seek to acquire further interest in the Target Group as and when the Company sees fit.

The Board is of the view that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATION

As one or more of the applicable Percentage Ratios calculated in respect of the Acquisition under the Sale and Purchase Agreement is more than 5% but less than 25%, the Acquisition is a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

<b>“2018 Actual Net Profit”</b>	the aggregate amount of the consolidated net profit of the Target Group as shown in its accountants' reports for the fiscal year ended 31 December 2018
<b>“Acquisition”</b>	the acquisition of a 40% equity interest in the Target Company contemplated under the Sale and Purchase Agreement
<b>“Board”</b>	the board of directors of the Company
<b>“Company”</b>	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 Stock Exchange of Hong Kong Limited
<b>“Completion”</b>	completion of the Acquisition under the Sale and Purchase Agreement
<b>“connected person(s)”</b>	has the meaning ascribed thereto under the Listing Rules

<b>“Director(s)”</b>	the director(s) of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Minimum Guaranteed Profit”</b>	RMB140,000,000
<b>“Percentage Ratios”</b>	has the meaning ascribed to it under Chapter 14 of Listing Rules
<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
<b>“Purchase Price Compensation”</b>	the amount of compensation payable by the Seller to the Company in case the 2018 Actual Net Profit of the Target Group is lower than the Minimum Guaranteed Profit
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sale and Purchase Agreement”</b>	the agreement for the sale and purchase of 40% equity interest in the Target Company entered into between the Company and the Seller dated 16 March 2018
<b>“Seller”</b>	Roman International (HK) Co., Limited (香港羅曼國際有限公司), a company incorporated in Hong Kong with limited liability
<b>“Target Company”</b>	Blue Light (HK) Trading Co., Limited (香港蔚藍芯光貿易有限公司) a company incorporated in Hong Kong with limited liability
<b>“Target Group”</b>	the Target Company and its subsidiaries
<b>“Wuhu NVC”</b>	Wuhu NVC Lighting E-Commerce Limited* (蕪湖雷士照明電子商務有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Target Company

\* *Denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only.*

By Order of the Board  
**NVC LIGHTING HOLDING LIMITED**  
**WANG Donglei**  
*Chairman*

Hong Kong, 19 March 2018

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