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NVC International Holdings Limited
雷士國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2222)

**CONNECTED TRANSACTION IN RELATION TO THE
SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE**

**CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION
OF SHARES UNDER SPECIFIC MANDATE**

The Board is pleased to announce that on 9 July 2023, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 845,456,130 Subscription Shares at the Subscription Price of HK\$0.083 per Subscription Share for a total consideration of HK\$70,172,858.79 in cash.

The Subscription Shares represent (i) approximately 20.0% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 16.7% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon the Completion, assuming that there will be no other changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares.

The Subscription Shares will be allotted and issued by the Company under the Specific Mandate to be sought from the Independent Shareholders at the EGM.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is wholly-owned by Mr. WANG Keven Dun, an executive Director and a vice president of the Company, and is therefore an associate of Mr. WANG Keven Dun and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Proposed Subscription will constitute a connected transaction of the Company and will be subject to the reporting, announcement, circular and Independent Shareholder's approval requirements under Chapter 14A of the Listing Rules. As Mr. WANG Keven Dun is considered to have a material interest in the Proposed Subscription, he had abstained from voting on the Board resolutions of the Company in relation to the Subscription Agreement and the transaction contemplated thereunder. Mr. WANG Donglei, being the father of Mr. WANG Keven Dun, had abstained from voting on the Board resolutions of the Company in relation to the Subscription Agreement and the transaction contemplated thereunder.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Subscription Agreement are on normal commercial terms or better and fair and reasonable, whether the Proposed Subscription is in the interests of the Company and its shareholders as a whole and how to vote at the EGM. The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares. As at the date of this announcement, none of the Subscriber, Mr. WANG Keven Dun or Mr. WANG Donglei holds any Shares in the Company. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Proposed Subscription and will be required to abstain from voting on the resolutions to approve the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares at the EGM.

A circular containing, among other things, (i) details of the Subscription Agreement and the transaction contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Subscription Agreement and the transaction contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transaction contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 28 July 2023.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Proposed Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreement, and the Proposed Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 9 July 2023, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 845,456,130 Subscription Shares at the Subscription Price of HK\$0.083 per Subscription Share for a total consideration of HK\$70,172,858.79 in cash.

Principal terms of the Subscription Agreement

Date 9 July 2023

Parties The Company (as the issuer) and the Subscriber (as the subscriber)

Number of Subscription
Shares

845,456,130 Shares, which represent (i) approximately 20.0% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 16.7% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately upon the Completion, assuming that there will be no other changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares.

Based on the closing price of the Shares of HK\$0.071 per Share on the Last Trading Day, the Subscription Shares have a market value of HK\$60,027,385.23 and an aggregate nominal value of US\$84.55.

The Subscription Shares will be allotted and issued under the Specific Mandate.

Subscription price

The Subscription Price is HK\$0.083 per Subscription Share, and the aggregate Subscription Price of all Subscription Shares of HK\$70,172,858.79 payable by the Subscriber shall be payable in cash upon the Completion.

The Subscription Price represents:

- (i) a premium of approximately 16.9% to the closing price of HK\$0.071 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) (ii) a premium of approximately 23.9% to the average closing price of HK\$0.067 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The net Subscription Price (after deduction of all professional fees and related expenses), is estimated to be approximately HK\$0.082 per Subscription Share.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to, among other things, (i) the recent market prices of the Shares; (ii) the trading liquidity of the Shares; and (iii) the amount of funds that the Company intends to raise under the Proposed Subscription.

Ranking of the
Subscription Shares

The Subscription Shares, when allotted and issued, shall rank pari passu in all respects among themselves and with the existing Shares in issue.

Conditions Precedent

The Completion is conditional upon the following conditions being fulfilled:

- (i) the Independent Shareholders having passed at the EGM the resolutions to approve the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandate for the allotment and issuance of the Subscription Shares;
- (ii) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval and permission remaining in full force and effect;
- (iii) there having been no breach of any terms of the Subscription Agreement by the Company and the Subscriber in any material respect; and

- (iv) no regulatory authority having implemented or enacted any legislation, regulations or decrees to prohibit the Proposed Subscription, and no courts with competent jurisdiction having issued any order or injunction prohibiting or preventing the Proposed Subscription.

In the event that the Completion does not take place on or before the Long Stop Date, the Company and the Subscriber shall negotiate with a view to agreeing on a subsequent date for the Completion. If the Company and the Subscriber are unable to agree on a subsequent date for the Completion, either the Company or the Subscriber shall be entitled to terminate the Subscription Agreement by written notice to the other party, upon which all rights and obligations of the parties to the Subscription Agreement shall terminate, save for any rights and obligations accrued prior to such termination.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Subscription Agreement are on normal commercial terms or better and fair and reasonable, whether the Proposed Subscription is in the interests of the Company and its shareholders as a whole and how to vote at the EGM. The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

INFORMATION ON THE PARTIES

The Company

The Company is a leading supplier of lighting products in the international market. It designs, develops, produces, markets and sells a variety of lighting products, with a strong focus on energy-saving products, under the NVC brand and third-party brands.

The Subscriber

The Subscriber is a company incorporated in Hong Kong with limited liability and is primarily engaged in investment holding business. The Subscriber is wholly-owned by Mr. WANG Keven Dun, an executive Director and a vice president of the Company, and is therefore an associate of Mr. WANG Keven Dun and a connected person of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE PROPOSED SUBSCRIPTION

The Directors have considered various ways of raising additional funds for business development and expansion, and they consider that the issue of the Subscription Shares is an appropriate means of raising additional capital for the Company since (i) the investment made by Mr. WANG Keven Dun through the Subscriber could demonstrate his confidence in the business development and future prospects of the Company, (ii) 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 (iii) the financial position of the Group will be improved for developing and expanding the existing and future business of the Group.

For the reasons stated above, the Directors (excluding the independent non-executive Directors whose views will be provided after taking into account the advice of the Independent Financial Adviser, Mr. WANG Keven Dun, who has a material interest in the Proposed Subscription, and Mr. WANG Donglei) consider that the terms of the Subscription Agreement are on normal commercial terms, fair and reasonable and the Subscription Agreement and the transaction contemplated thereunder are in the interests of the Company and its shareholders as a whole.

USE OF PROCEEDS

It is expected that the gross proceeds of the Proposed Subscription will be approximately HK\$70.2 million. The net proceeds of the Proposed Subscription, after the deduction of all professional fee and related expenses, is estimated to be approximately HK\$69.7 million. The Company intends to use the net proceeds of (1) approximately HK\$63.0 million to develop and expand overseas business and, (2) approximately HK\$6.7 million for the general working capital of the Group.

FUND RAISING ACTIVITY BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately following the Completion, assuming that there will be no other changes in the total number of issued Shares between the date of this announcement and the allotment and issue of the Subscription Shares, is set out below:

Shareholders	As at the date of this announcement		Immediately following the Completion	
	<i>Number of Shares</i>	<i>Approximate Percentage (Note 3)</i>	<i>Number of Shares</i>	<i>Approximate Percentage (Note 3)</i>
Elec-Tech International (H.K.) Company Limited (<i>Note 1</i>)	740,346,000	17.51%	740,346,000	14.59%
SU Lixin	649,350,649	15.36%	649,350,649	12.80%
Rising Wealth Limited (<i>Note 2</i>)	638,400,000	15.10%	638,400,000	12.58%
The Subscriber	–	–	845,456,130	16.67%
Public Shareholders	<u>2,199,184,000</u>	<u>52.02%</u>	<u>2,199,184,000</u>	<u>43.35%</u>
Total	<u>4,227,280,649</u>	<u>100%</u>	<u>5,072,736,779</u>	<u>100%</u>

Notes:

1. As Elec-Tech International (H.K.) Company Limited is a wholly-owned subsidiary of ETIC, ETIC is deemed to be interested in the Shares held by Elec-Tech International (H.K.) Company Limited.
2. As Rising Wealth Limited is wholly-owned by Ms. ZHAO Yu, Ms. ZHAO Yu is deemed to be interested in the Shares held by Rising Wealth Limited.
3. Certain percentage figures in this table have been subject to rounding adjustments to the nearest 2 decimal places. Accordingly, the aggregate of the percentage figures in the above table may not add up to 100%.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Subscriber is wholly-owned by Mr. WANG Keven Dun, an executive Director and a vice president of the Company, and is therefore an associate of Mr. WANG Keven Dun and a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Proposed Subscription will constitute a connected transaction of the Company and will be subject to the reporting, announcement, circular and Independent Shareholder's approval requirements under Chapter 14A of the Listing Rules. As Mr. WANG Keven Dun is considered to have a material interest in the Proposed Subscription, he had abstained from voting on the Board resolutions of the Company in relation to the Subscription Agreement and the transaction contemplated thereunder. Mr. WANG Donglei, being the father of Mr. WANG Keven Dun, had abstained from voting on the Board resolutions of the Company in relation to the Subscription Agreement and the transaction contemplated thereunder.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares. As at the date of this announcement, none of the Subscriber, Mr. WANG Keven Dun or Mr. WANG Donglei holds any Shares in the Company. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Proposed Subscription and will be required to abstain from voting on the resolutions to approve the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares at the EGM.

A circular containing, among other things, (i) details of the Subscription Agreement and the transaction contemplated thereunder; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Subscription Agreement and the transaction contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the transaction contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 28 July 2023.

Completion of the Proposed Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreement, and the Proposed Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	NVC International Holdings Limited (雷士國際控股有限公司) (formerly known as 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 shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Proposed Subscription pursuant to the terms and conditions of the Subscription Agreement

“Completion Date”	the date on which the Completion shall take place, which shall be two business days following the written notice from the Company to the Subscriber notifying the satisfaction of the conditions precedent, or such other date as agreed in writing between the Company and the Subscriber
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandates to allot and issue the Subscription Shares
“ETIC”	Elec-Tech International Co., Ltd.* (安徽德豪潤達電氣股份有限公司) (formerly known as Elec-Tech International Co., Ltd.* (廣東德豪潤達電氣股份有限公司)), a PRC incorporated company whose shares are currently listed on the Shenzhen Stock Exchange and is a substantial shareholder of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors
“Independent Financial Adviser”	the independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Subscription Agreement and the transaction contemplated thereunder
“Independent Shareholders”	Shareholder(s) other than those who are required under the Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM

“Last Trading Day”	7 July 2023, being the last full trading day in the Shares prior to the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date upon the expiry of six (6) months from the date of the Subscription Agreement, or such other date as the parties may agree in writing
“Proposed Subscription”	the subscription of an aggregate of 845,456,130 Subscription Shares by the Subscriber in accordance with the terms and conditions of the Subscription Agreement
“Share(s)”	ordinary share(s) of US\$0.0000001 each of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Canopy Capital Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. WANG Keven Dun
“Subscription Agreement”	the subscription agreement dated 9 July 2023 entered into between the Company and the Subscriber in relation to the Proposed Subscription
“Subscription Price”	HK\$0.083 per Subscription Share

“Subscription Shares” an aggregate of 845,456,130 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement, each a Subscription Share

“%” per cent

* for identification purpose only

By Order of the Board
NVC International Holdings Limited
WANG Donglei
Chairman

Hong Kong, 9 July 2023

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

Executive Directors:

WANG Donglei
CHAN Kim Yung, Eva
XIAO Yu
CAO Qin
WANG Keven Dun

Non-executive Director:

YE Yong

Independent Non-executive Directors:

LEE Kong Wai, Conway
WANG Xuexian
CHEN Hong