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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**

Reference is made to the announcement of the Company dated 15 September 2023 in relation to the requisition letter received from ETI, where ETI requested the Board to convene an extraordinary general meeting for the purpose of considering and, if thought fit, passing the relevant resolutions including the Proposed Subscription by ETI at the Subscription Price of HK\$0.083 per Subscription Share for a total consideration of HK\$14,899,102.08 in cash. ETI has further proposed the specific terms for the Subscription Agreement to the Company. The Subscription Agreement will be entered into between the Company and ETI after obtaining the approval by the independent Shareholders on the Proposed Subscription at the EGM.

The Subscription Shares represent (i) approximately 3.5% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 3.4% 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, ETI is a substantial shareholder of the Company, and is therefore 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.

## **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors will be 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 Mandates for the allotment and issue of the Subscription Shares. As at the date of this announcement, ETI holds an aggregate of 740,346,000 Shares and is required to abstain from voting on the resolutions in relation to the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandates for the allotment and issue of the Subscription Shares at the EGM. Save for ETI, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transaction contemplated under the Subscription Agreement and will be required to abstain from voting on the resolutions in relation to the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandates 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 1 November 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 after the entering of the Subscription Agreement.

**The entering of the Subscription Agreement will be subject to the approval on the Proposed Subscription by the Independent Shareholders. 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**

Reference is made to the announcement of the Company dated 15 September 2023 in relation to the requisition letter received from ETI, where ETI requested the Board to convene an extraordinary general meeting for the purpose of considering and, if thought fit, passing the relevant resolutions including the Proposed Subscription by ETI at the Subscription Price of HK\$0.083 per Subscription Share for a total consideration of HK\$14,899,102.08 in cash. ETI has further proposed the specific terms for the Subscription Agreement to the Company. The Subscription Agreement will be entered into between the Company and ETI after obtaining the approval by the independent Shareholders on the Proposed Subscription at the EGM.

## Principal terms of the Subscription Agreement

|                               |  |
|-------------------------------|--|
| Parties                       | The Company (as the issuer) and ETI (as the subscriber)  |
| Number of Subscription Shares | <p>179,507,254 Shares, which represent (i) approximately 3.5% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 3.4% 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.</p> <p>Based on the closing price of the Shares of HK\$0.083 per Share on the Last Trading Day, the Subscription Shares have a market value of HK\$14,899,102.08 and an aggregate nominal value of US\$17.95.</p> <p>The Subscription Shares will be allotted and issued under the Specific Mandate.</p> |
| Subscription price            | <p>The Subscription Price is HK\$0.083 per Subscription Share, and the aggregate Subscription Price of all Subscription Shares of HK\$14,899,102.08 payable by the Subscriber shall be payable in cash upon the Completion.</p> <p>The Subscription Price represents:</p> <ul style="list-style-type: none"><li>(i) the same as the closing price of HK\$0.083 per Share as quoted on the Stock Exchange on 10 October 2023, the date of this announcement; and</li><li>(ii) a premium of 2.2% to the average closing price of HK\$0.0812 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.</li></ul>   |

The net Subscription Price (after deduction of all professional fees and other expenses), is estimated to be approximately HK\$0.077 per Subscription Share.

The Subscription Price was proposed by ETI with reference to the subscription price provided in the subscription agreement entered by the Company and Canopy Capital Limited on 9 July 2023.

Share Consolidation or Split

If any Share consolidation or split occurs prior to the Completion, the aforementioned number of Subscription Shares and the Subscription Price shall be adjusted proportionally in accordance with the relevant share consolidation or split, while maintaining the aggregate Subscription Price unchanged.

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 will be 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 after the entering of the Subscription Agreement.

## **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**

ETI is a wholly-owned subsidiary of ETIC, which is primarily engaged in small household appliances and LED packaging business. ETI is a substantial shareholder of the Company holding an aggregate of 740,346,000 Shares, representing approximately 14.59% of the total issued Shares as at the date of this announcement. ETIC is a PRC incorporated company whose shares are currently listed on the Shenzhen Stock Exchange.

## **REASONS FOR AND BENEFITS OF THE PROPOSED SUBSCRIPTION**

ETI has proposed to subscribe the Subscription Shares to increase its shareholding in the Company. The terms of the Subscription Agreement proposed by ETI are generally consistent with the subscription agreement entered between the Company and Canopy Capital Limited, a company wholly-owned by Mr. WANG Keven Dun (an executive Director of the Company), on 9 July 2023.

The Company's independent non-executive Directors will express their view on the Proposed Subscription in the EMG circular after taking into account the Independent Financial Adviser's advice. The other Directors consider that the Subscription Price is fair and reasonable but do not think the Proposed Subscription will serve the best interests of the Company and its shareholders as a whole for the following reasons:

- a) the gross proceeds from the Proposed Subscription will be only approximately HK\$14.9 million due to a relatively small number of the Subscription Shares. It is estimated that the total costs to be incurred for the preparation of the information disclosure documents, engagement of professional parties and holding of the EGM will be around HK\$1 million, representing around 6.7% of the gross proceeds from the Proposed Subscription; and

- b) the Company has recently raised net proceeds of approximately HK\$69.2 million by issuing 845,456,130 new Shares to Canopy Capital Limited in August 2023. Taking into account the level of cash and cash equivalent of the Company as of 30 June 2023, the net proceeds received from Canopy Capital Limited and the current project progress, it is estimated that currently no additional funds need to be raised by issuing new Shares for the implementation of the Company's overseas business development and expansion and implementation of global ERP and warehouse system.

## **USE OF PROCEEDS**

It is expected that the gross proceeds of the Proposed Subscription will be approximately HK\$14.9 million. The net proceeds of the Proposed Subscription, after the deduction of all professional fees and other expenses, is estimated to be approximately HK\$13.9 million. If the Proposed Subscription will proceed, the Company intends to use all the net proceeds to supplement the general working capital of the Group and to the extent that the net proceeds are not immediately applied for the general working capital needs, the Company will invest the net proceeds in short-term and interest-bearing bank deposits with qualified financial institutions.

## **FUND RAISING ACTIVITY BY THE COMPANY IN THE PAST TWELVE MONTHS**

On 9 July 2023, the Company and Canopy Capital Limited entered into a subscription agreement, pursuant to which Canopy Capital Limited conditionally agreed to subscribe and the Company conditionally agreed to allocate and issue a total of 845,456,130 ordinary Shares at the subscription price of HK\$0.083 per Share. The subscription has been completed and net proceeds of approximately HK\$69.2 million after deducting the professional fee and related expenses, have been received by the Company. The net proceeds will be used for development and expansion of overseas business and general working capital as disclosed in the circular of the Company dated 4 August 2023.

Save as disclosed above, the Company has not conducted any other 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<br>announcement |  | Immediately following<br>the Completion |  |
|---------------------------------|--|--|---|--|
|                                 | <i>Number of<br/>Shares</i>            | <i>Approximate<br/>Percentage<br/>(Note 4)</i> | <i>Number of<br/>Shares</i>             | <i>Approximate<br/>Percentage<br/>(Note 4)</i> |
| Canopy Capital Limited (Note 1) | 845,456,130                            | 16.67%   | 845,456,130                             | 16.10%   |
| ETI (Note 2)                    | 740,346,000                            | 14.59%   | 919,853,254                             | 17.51%   |
| SU Lixin                        | 649,350,649                            | 12.80%   | 649,350,649                             | 12.36%   |
| Rising Wealth Limited (Note 3)  | 638,400,000                            | 12.58%   | 638,400,000                             | 12.15%   |
| Public Shareholders             | <u>2,199,184,000</u>                   | <u>43.35%</u>                                  | <u>2,199,184,000</u>                    | <u>41.87%</u>                                  |
| <b>Total</b>                    | <b><u>5,072,736,779</u></b>            | <b><u>100%</u></b>                             | <b><u>5,252,244,033</u></b>             | <b><u>100%</u></b>                             |

Notes:

- As Canopy Capital Limited is wholly-owned by Mr. WANG Keven Dun, Mr. WANG Keven Dun is deemed to be interested in the Shares held by Canopy Capital Limited.
- As ETI is a wholly-owned subsidiary of ETIC, ETIC is deemed to be interested in the Shares held by ETI.
- 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.
- 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, ETI is a substantial shareholder of the Company, and is therefore 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.

## 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 Mandates for the allotment and issue of the Subscription Shares. As at the date of this announcement, ETI holds an aggregate of 740,346,000 Shares and is required to abstain from voting on the resolutions in relation to the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandates for the allotment and issue of the Subscription Shares at the EGM. Save for ETI, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the transaction contemplated under the Subscription Agreement and will be required to abstain from voting on the resolutions in relation to the Subscription Agreement, the transaction contemplated thereunder and the grant of the Specific Mandates 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 1 November 2023.

**The entering of the Subscription Agreement will be subject to the approval on the Proposed Subscription by the Independent Shareholders. 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  |
| “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  |

|                                 |  |
|---------------------------------|--|
| “ETI” or “Subscriber”           | Elec-Tech International (H.K.) Company Limited, a substantial shareholder of the Company holding an aggregate of 740,346,000 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”              | 10 October 2023, being the last full trading day in the Shares prior to this announcement  |
| “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 179,507,254 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  |
| “Subscription Agreement” | the subscription agreement proposed by ETI which sets out the specific terms for the Proposed Subscription   |
| “Subscription Price”     | HK\$0.083 per Subscription Share   |
| “Subscription Shares”    | an aggregate of 179,507,254 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, 10 October 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