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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2025:

- The Group's revenue amounted to US\$107,162,000, representing a decrease of 9.6% as compared with Corresponding Period.
- The Group's gross profit amounted to US\$40,576,000, representing an increase of 9.3% as compared with Corresponding Period.
- The Group's profit before income tax amounted to US\$16,742,000, with the profit before income tax amounted to US\$10,329,000 in the Corresponding Period.
- Profit for the period attributable to owners of the Company amounted to US\$15,218,000, with the profit for the period attributable to owners of the Company amounted to US\$7,660,000 in the Corresponding Period.
- Basic earnings per share attributable to owners of the Company amounted to US\$3.00 cents (basic earnings per share attributable to owners of the Company in the Corresponding Period: US\$1.51 cents).
- The Board has resolved not to declare an interim dividend (Corresponding Period: no interim dividend declared).

The Board announces the interim results of the Group for the Period under Review. The interim results have been reviewed by the Audit Committee and the external auditor of the Company, Deloitte Touche Tohmatsu.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	<i>NOTES</i>	<i>US\$'000</i>	<i>US\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	107,162	118,510
Cost of sales		<u>(66,586)</u>	<u>(81,403)</u>
Gross profit		40,576	37,107
Other income	5	3,187	3,536
Other gains and losses		8,357	(624)
Selling and distribution expenses		(15,180)	(15,717)
Administrative expenses		(15,980)	(14,872)
Impairment losses under expected credit loss model, net of reversal		(268)	(812)
Other expenses		(3,123)	(2,254)
Finance costs		(259)	(385)
Share of results of associates		<u>(568)</u>	<u>4,350</u>
Profit before tax		16,742	10,329
Income tax expense	6	<u>(1,478)</u>	<u>(1,475)</u>
Profit for the period	7	<u>15,264</u>	<u>8,854</u>
Profit for the period attributable to:			
Owners of the Company		15,218	7,660
Non-controlling interests		<u>46</u>	<u>1,194</u>
		<u>15,264</u>	<u>8,854</u>
Earnings per share	8		
Basic (<i>US\$ cents</i>)		<u>3.00</u>	<u>1.51</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Profit for the period	15,264	8,854
Other comprehensive (expense) income		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”), net of tax	<u>(702)</u>	<u>98</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(1,954)	327
Share of other comprehensive income (expense) of associates, net of related income tax	<u>612</u>	<u>(628)</u>
	<u>(1,342)</u>	<u>(301)</u>
Total comprehensive income for the period	<u>13,220</u>	<u>8,651</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	13,121	7,869
Non-controlling interests	<u>99</u>	<u>782</u>
	<u>13,220</u>	<u>8,651</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2025

		30 June 2025 US\$'000 (unaudited)	31 December 2024 US\$'000 (audited)
	NOTES		
Non-current assets			
Property, plant and equipment		62,873	62,678
Right-of-use assets		23,564	21,938
Investment properties		1,444	1,438
Goodwill		29,529	29,406
Other intangible assets		36,627	37,217
Interests in associates		115,050	114,523
Equity instruments at FVTOCI		1,647	2,349
Deferred tax assets		1,502	1,485
Deposits		41,080	41,148
		<u>313,316</u>	<u>312,182</u>
Current assets			
Inventories		42,717	40,361
Trade and bills receivables	10	45,427	49,535
Other receivables, deposits and prepayments		10,916	10,671
Tax recoverable		84	12
Financial assets at fair value through profit or loss ("FVTPL")		58,364	54,731
Cash and cash equivalents		104,613	93,928
		<u>262,121</u>	<u>249,238</u>
Current liabilities			
Trade and bills payables	11	28,787	40,854
Other payables and accruals		31,452	32,498
Contract liabilities		2,916	2,184
Borrowings	12	13,722	2,603
Deferred income		141	140
Lease liabilities		2,128	1,436
Financial liabilities at FVTPL		893	334
Tax liabilities		2,097	2,492
		<u>82,136</u>	<u>82,541</u>
Net current assets		<u>179,985</u>	<u>166,697</u>
Total assets less current liabilities		<u>493,301</u>	<u>478,879</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT 30 JUNE 2025

		30 June 2025	31 December 2024
	<i>NOTE</i>	<i>US\$'000</i>	<i>US\$'000</i>
		(unaudited)	(audited)
Non-current liabilities			
Deferred income		126	218
Lease liabilities		3,388	2,134
Deferred tax liabilities		6,324	6,456
Financial liabilities at FVTPL		2,313	2,141
		12,151	10,949
NET ASSETS		481,150	467,930
Capital and reserves			
Share capital	13	1	1
Reserves		469,618	456,497
Equity attributable to owners of the Company		469,619	456,498
Non-controlling interests		11,531	11,432
TOTAL EQUITY		481,150	467,930

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The condensed consolidated financial statements of NVC International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards as issued by the IASB for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the six months ended 30 June 2025			
	International NVC brand US\$'000 (unaudited)	Domestic non-NVC brand US\$'000 (unaudited)	International non-NVC brand US\$'000 (unaudited)	Total US\$'000 (unaudited)
Sales to external customers	15,859	4,348	86,955	107,162
Geographical markets				
United States	–	–	63,005	63,005
Japan	–	–	19,831	19,831
The PRC	–	4,348	–	4,348
Netherlands	–	–	534	534
United Kingdom	9,363	–	717	10,080
Other countries	6,496	–	2,868	9,364
Total	15,859	4,348	86,955	107,162
Timing of revenue recognition				
A point in time	15,859	4,348	86,955	107,162

3. REVENUE (CONTINUED)

(i) Disaggregation of revenue from contracts with customers (Continued)

	For the six months ended 30 June 2024			
	International NVC brand <i>US\$'000</i> (unaudited)	Domestic non-NVC brand <i>US\$'000</i> (unaudited)	International non-NVC brand <i>US\$'000</i> (unaudited)	Total <i>US\$'000</i> (unaudited)
Sales to external customers	16,812	5,063	96,635	118,510
Geographical markets				
United States	–	–	77,532	77,532
Japan	4	–	15,557	15,561
The PRC	–	5,063	–	5,063
Netherlands	–	–	1,061	1,061
United Kingdom	9,774	–	444	10,218
Other countries	7,034	–	2,041	9,075
Total	16,812	5,063	96,635	118,510
Timing of revenue recognition				
A point in time	16,812	5,063	96,635	118,510

4. OPERATING SEGMENTS

Information reported to the executive directors of the Company, being the Chief Operating Decision Maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under IFRS 8 are as follows:

- International NVC brand – sales of NVC branded lighting products outside the People’s Republic of China (the “PRC”)
- Domestic non-NVC brand – domestic sales of non-NVC branded lighting products in the PRC
- International non-NVC brand – sales of non-NVC branded lighting products outside the PRC

The following is an analysis of the Group’s revenue and results by reportable segments:

For the six months ended 30 June 2025

	International NVC brand US\$'000 (unaudited)	Domestic non-NVC brand US\$'000 (unaudited)	International non-NVC brand US\$'000 (unaudited)	Consolidated US\$'000 (unaudited)
Segment revenue:				
Sales to external customers	<u>15,859</u>	<u>4,348</u>	<u>86,955</u>	<u>107,162</u>
Segment results	<u>6,089</u>	<u>759</u>	<u>33,728</u>	<u>40,576</u>
<i>Reconciliation</i>				
Other income				3,187
Other gains and losses				8,357
Unallocated expenses				(34,283)
Impairment losses under expected credit loss model, net of reversal				(268)
Finance costs				(259)
Share of results of associates				<u>(568)</u>
Profit before tax				<u>16,742</u>

4. OPERATING SEGMENTS (CONTINUED)

For the six months ended 30 June 2024

	International NVC brand US\$'000 (unaudited)	Domestic non-NVC brand US\$'000 (unaudited)	International non-NVC brand US\$'000 (unaudited)	Consolidated US\$'000 (unaudited)
Segment revenue:				
Sales to external customers	<u>16,812</u>	<u>5,063</u>	<u>96,635</u>	<u>118,510</u>
Segment results	<u>7,093</u>	<u>948</u>	<u>29,066</u>	<u>37,107</u>
<i>Reconciliation</i>				
Other income				3,536
Other gains and losses				(624)
Unallocated expenses				(32,843)
Impairment losses under expected credit loss model, net of reversal				(812)
Finance costs				(385)
Share of results of associates				<u>4,350</u>
Profit before tax				<u><u>10,329</u></u>

Segment profit represents the profit earned by each segment without allocation of other income, other gains or losses, impairment losses under expected credit loss model, net of reversal, unallocated expenses, finance costs and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Government grants and other subsidies	279	36
Bank interest income	990	1,247
Consultancy service income	572	534
Trademark licence fee	508	787
Rental income – lease payments that are fixed	243	194
Surcharges from suppliers	129	275
Others	466	463
	<u>3,187</u>	<u>3,536</u>

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	807	273
PRC Enterprise Income Tax	88	276
Other countries	732	1,116
	<u>1,627</u>	<u>1,665</u>
Deferred tax	<u>(149)</u>	<u>(190)</u>
Total	<u><u>1,478</u></u>	<u><u>1,475</u></u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods presented.

6. INCOME TAX EXPENSE (CONTINUED)

ETi Solid State Lighting (Zhuhai) Limited and Zhejiang Jiangshan Sunny Electron Co., Ltd. were recognised as high-tech enterprise by the PRC tax authority and entitled a preferential tax rate of 15% for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is operating in certain jurisdictions where the Pillar Two Rules is enacted but not effective. However, as the Group's consolidated annual revenue is expected to be less than EUR750,000,000, the management of the Group considered the Group is not liable for top-up tax under the Pillar Two Rules and therefore, has not made relevant disclosures of qualitative and quantitative information about the Group's exposure to the Pillar Two income taxes.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Amortisation of other intangible assets (included in cost of sales)	1,348	2,546
Depreciation		
– Property, plant and equipment	3,269	2,451
– Investment properties	370	222
– Right-of-use-assets	1,130	1,144
Total amortisation and depreciation	6,117	6,363
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	21,117	16,761
Pension scheme contributions	2,070	1,700
Other welfare expenses	564	566
Total staff costs	23,751	19,027
Cost of inventories recognised as expense	66,728	81,984
Research and development costs (included in "other expenses")	3,123	2,254
Write-down of inventories	(142)	(581)
Impairment losses under expected credit loss model, net of reversal	268	812

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	<i>US\$'000</i>	<i>US\$'000</i>
	(unaudited)	(unaudited)
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<u>15,218</u>	<u>7,660</u>
	2025	2024
	'000	'000
	(unaudited)	(unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>507,274</u>	<u>507,274</u>

No diluted earnings per share for both periods were presented as there were no potential ordinary shares in issue for both periods presented.

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the current and prior interim periods, nor has any dividend been proposed since the end of the reporting period.

10. TRADE AND BILLS RECEIVABLES

	30 June 2025 <i>US\$'000</i> (unaudited)	31 December 2024 <i>US\$'000</i> (audited)
Trade receivables	46,180	49,913
<i>Less: allowance for credit losses</i>	(798)	(530)
	45,382	49,383
Bills receivables	45	152
	45,427	49,535

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the transaction date.

	30 June 2025 <i>US\$'000</i> (unaudited)	31 December 2024 <i>US\$'000</i> (audited)
Within 3 months	41,109	46,252
4 to 6 months	2,927	1,285
7 to 12 month	199	587
1 to 2 years	426	293
Over 2 years	721	966
	45,382	49,383

The Group allows an average credit period of 30 to 90 days to its trade customers.

As at 30 June 2025, total bills receivables amounted to US\$45,000 (unaudited) (31 December 2024: US\$152,000) are held by the Group for future settlement of trade receivables. All bills receivables by the Group are with a maturity period of less than six months.

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

Other than bills receivables, carrying amount of trade receivables amounted to US\$5,863,000 (unaudited) (31 December 2024: US\$7,777,000) have been pledged as security for the Group's borrowings.

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 to calculate the impairment losses of trade and bills receivables under expected credit loss model are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

During the current interim period, the Group recognised impairment losses of US\$268,000 (unaudited) (six months ended 30 June 2024: US\$812,000 (unaudited)) under expected credit loss model.

11. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade payables not under supplier finance arrangement presented based on the transaction date.

	30 June 2025 US\$'000 (unaudited)	31 December 2024 US\$'000 (audited)
Within 3 months	22,716	36,660
4 to 6 months	839	401
7 to 12 months	108	270
1 to 2 year	506	170
Over 2 years	867	752
	<hr/>	<hr/>
	25,036	38,253
	<hr/>	<hr/>

12. BORROWINGS

	30 June 2025 US\$'000 (unaudited)	31 December 2024 US\$'000 (audited)
Bank loans		
Unsecured (<i>Note a</i>)	9,080	–
Secured (<i>Note b</i>)	4,642	2,603
	<u>13,722</u>	<u>2,603</u>

Notes:

- a) During the current interim period ended 30 June 2025, the Group obtained new unsecured bank loans amounting to US\$9,080,000 (unaudited). The loans carried interest at variable rates ranging one-year Loan Prime Rate (the “**LPR**”) promulgated by the People’s Bank of China less 20 basis points and are repayable within one year. The proceeds were intended to finance the acquisition of property, plant and equipment. Subsequent to the reporting period, the Group repaid the substantial portion of the loan in July 2025.
- b) During the current interim period ended 30 June 2025, the Group obtained new secured bank loans amounting to US\$4,642,000 (unaudited) (31 December 2024: US\$2,603,000). The loans carried interest at variable rates ranging base +1.9%* and are repayable within one year. The proceeds were used to finance daily operations.

* “Base” refers to the Bank of England base rate

13. SHARE CAPITAL

	Number of shares '000	Share capital US\$
Ordinary share of US\$0.000001 each		
Authorised:		
At 1 January 2024 (audited), 30 June 2024 (unaudited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>50,000,000</u>	<u>46,977</u>
Issued and fully paid:		
At 1 January 2024 (audited), 30 June 2024 (unaudited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>507,274</u>	<u>1,268</u>

14. CAPITAL AND OTHER COMMITMENTS

	30 June 2025 US\$'000 (unaudited)	31 December 2024 US\$'000 (audited)
Amounts contracted for but not provided in the condensed consolidated financial statements		
– Acquisition of property, plant and equipment	<u>387</u>	<u>484</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Market and Performance Review

In the first half of 2025, the U.S. president Trump's tariff order has had a significant impact on the global economic market. Coupled with the Russian-Ukrainian war and sustained high-interest rate environment, the market economy has been constantly changing. All the industries were facing major challenges in their operation and markets were starting to worry about an ongoing economic recession. All major banks and financial institutions had lowered their GDP growth forecasts for various countries one after another, resulting in a sharp drop in their confidence in economic growth this year. The global economy growth was expected to slow to 3.0% in 2025 according to the latest World Economic Outlook published by the International Monetary Fund.

With the continued downturn in the economic environment, the demand in the consumer market has declined as a whole, and the competitive pressure in the terminal market has further increased. It is of particular importance to reduce product costs to enhance the competitiveness of the Group's products. The Group adjusted its procurement strategy to ensure the reduction of procurement costs through measures such as supplier placement and selection, bidding, price negotiation for large-value orders and procurement price coordination. In addition, we were advancing the progress of localized procurement in Vietnam and strengthening the self-made capabilities of factories in Vietnam, such as strengthening the construction of front-end workshops, improving the self-made rate and promoting technological reforms, thus achieving all-round cost reduction.

During the Period under Review, the international lighting business remained the core business of the Group, which contributed the majority of the Group's revenue. Despite the difficult economic environment, in order to maintain the healthy development of its business, the Group has implemented a number of reforms, including developing new product designs, launching new products and evaluating the Group's procurement strategies, so as to help enhance the competitiveness of the Group's products in terms of pricing and functionality.

Selling and Distribution

The Group has established sales networks and channels in major countries and regions including North America, Europe, Australia, East Asia, the Middle East and Southeast Asia and the PRC leveraging its extensive marketing experience and superior globe-based operation team.

North American and Japanese Markets

In North America, in the first half of 2025, the Group maintained good business cooperation with its largest North American customer. As the retail prices of its end retail stores further returned to normal market prices and as new products were launched, sales increased beyond expectations. In contrast, domestic sales in North America appeared to be poor.

In terms of retail channels, new customers and new projects at the end of 2024 had already contributed a certain degree of revenue in the first half of 2025, and are expected to continue to grow in the second half of the year. In the first half of 2025, we also received request for quotations for several new projects from our largest North American customer, which are expected to be confirmed in the second half of 2025. This will become a growth driver for our sales in 2026. In terms of commercial channels, sales performance was subpar, particularly due to the slow progress of construction projects.

As circumstances evolved, the Company has formed a view as to its strategies in addressing the issues arising from the tariff conundrum. The uncertainties surrounding tariffs have given us a clearer focus on localizing production in Vietnam, and the years of dedicated efforts to develop our in-house production capacity in various geographical markets are bringing us promising prospects.

Japan's economy in the first half of 2025 was characterized by a weak recovery in domestic demand and heightened external risks. In the first quarter, the economy contracted more than expected. In the second quarter, the service sector rebounded, but manufacturing weakened. Trade policies and inflation hampered the pace of recovery. Whether the economy can be stabilized in the second half of the year shall depend on the progress of U.S.-Japan tariff negotiations.

Although global LED prices have continued to decline, Japan has been bucking this trend with short-term price increases due to its high-end strategy. The Japan Industrial Association compiled market statistics for the first half of 2025, showing that domestic demand for LED lighting products in the first half of 2025 was roughly the same as in the same period of 2024. Overall sales in the Japanese market in the first half of 2025 increased year-on-year, primarily due to the introduction of new customers.

UK and Nordic Markets

The UK market is currently suffering from a lack of confidence. The new government elected in 2024 is committed to revitalizing the UK economy, but early signs indicate that its short-term actions have not been successful so far, and the medium-term measures have yet to demonstrate any significant impact.

Our primary route to market is through the UK wholesale channel, which is exhibiting classic behaviors: reluctance to invest in stock, nervousness about credit risk, and ongoing cost-cutting measures.

Dernier and Hamlyn (“**D&H**”) operates in a very exclusive “super-premium” segment for new projects and has limited competition in the restoration market for historic buildings. We have observed that it is largely insulated from the macro-economic factors that impact the wider market.

The Nordics market is also suffering from weak growth, but our demand strategy is better established, our market share is stronger, and the limited number of participants in the wholesale channel together has created a more robust position for our business.

Our operations consist of three distinct subsidiaries: NVC UK, which is active in the general commercial lighting sector in the UK, D&H, a bespoke lighting manufacturer based in the UK, and NVC Nordics, a general commercial lighting player primarily operating in the Swedish, Finnish, and Danish markets.

In the UK, the approach has been to take action regarding the structural operating costs in the first quarter of 2025, commit to our plan to rebuild the external sales team, make changes to the sales leadership. The outcomes from our schools marketing and sales focus, strong upward trends in bidding activity, and the performance from our emergency lighting program provide positive evidence that this program can improve our position in spite of the market “headwinds”.

D&H had a leadership change in late 2024, with an appointee that has a strong background in the luxury interiors market joining the business. The order book has grown very strongly during H1 2025. Although the delivery timing may cause us to miss the sales target, the business is still expected to achieve substantial sales growth in 2025.

NVC Nordics is committed to achieving aggressive performance in 2025, having recorded growth in both sales and margins in 2024, resulting in a very strong operating result. Although they are lagging behind the target in the first half of 2025, there are significant new products set to enter the markets in the second half of 2025. The impact of these new products, along with the strong trends we are observing in Sweden, is expected to lead to a stronger results in the second half of 2025 compared to the first half.

Other Overseas Markets

At the beginning of 2024, we implemented a dual-channel business strategy focusing on Flow Channels and Project Channels. This strategy has shown promising results in the first half of 2025. While we will continue with our Flow Channel approach, we are fine-tuning the Project Channel to Flow Project Channel by increasing the proportion of standard solutions and reducing customization, aiming for higher efficiency and scalability.

Overseas Markets Performance – Flow Channels and Flow Projects continue to show positive demand across both commercial and retail segments. In Uruguay and Papua New Guinea, we outperformed our targets, driven by strong partnerships with major local supermarket chains and solid order execution. The Sri Lanka Flow Project remains small but is showing signs of growth.

Vietnam Market – Performance in Vietnam has been below expectations, mainly due to project delays and rising costs resulting from customized solutions for small-quantity orders.

Singapore & Surrounding Markets – Singapore remains a highly price-competitive market. Our the first half of 2025 performance met the expectations.

Brand Image Building and New Product Research and Development

“Light”, “Air”, and “Water” are the three key elements of the Group’s business development and also the three main threads of brand building. In 2025, “Light” remains the continuous driving force and core foundation of the Group’s development. The Group has continued to advance the brand upgrade of its lighting sub-brand in the first half of this year, with plans for an official relaunch in the second half. We have also supported the consolidation and optimization of branding equities across all business regions and subsidiaries. The Group remains steadfast in its support for the development of all brands across their respective business regions. Each sub-brand has been actively leveraging marketing campaigns and social media platforms to strengthen its brand identity, enhance awareness and loyalty, and ultimately capture greater market share.

In the first half of 2025, the Group continued to review and upgrade its owned brands, in line with its branding strategy of “Advancement through Stability”. Following the brand image upgrades of the Group’s parent brand and its North American lighting brand “ETI” in 2024, the company has continued to implement significant adjustments and updates to the “NVC Lighting” brand this year. While retaining the original brand color scheme and core visual identity; substantial optimizations to the brand logo, its application scenarios, and the design style of various marketing materials will be introduced to “NVC Lighting”. The revamped brand identity is expected to be officially launched in the second half of 2025, with full implementation to be completed in the coming years.

The newly established brand “AURA”, which has been vigorously developed in recent years, specializes in trendy linear lighting system. To support regional business promotion efforts, the Group produced an official promotional video in the first half of the year, systematically introducing the functional features, design advantages, and versatile applications of the “AURA” product family. The video will debut in the second half of the year alongside exhibition appearances.

Subsidiary brands under the Group have been actively engaging in local markets. Notably, “ETI” and “NVC Lighting” participated in industry trade shows in the UK and the U.S., respectively, receiving positive market feedback. On social media platforms, our brands maintain a strong presence, with Facebook and LinkedIn serving as the core channels for owned-media campaigns.

The Group attaches great importance to the research and development of innovative technologies. The research department is responsible for the planning, research, design and development of the Group's lighting products. It takes "researching light, making lighting products with heart and making people's lives better" as well as "Life As You Wish • 讓生活如您所願" as its missions. By adhering to the R&D philosophy of "innovation, speed, quality and cost", the research department promotes the operating model of "synchronous development and concurrent engineering" within the Company's system, which greatly speeded up the efficiency of new product development. In the first half of 2025, the research department carried out research and design for different customers and different product lines. A total of more than a hundred new lighting products are under development or have been completed. In the process of developing a series of new products in 2025, we focused on improving our R&D technology and efficiency, and continued to develop and enhance platformization, serialization, modularization and standardization.

Future Prospects

In the second half of 2025, the international lighting business will remain the Group's core business. The innovative efforts of the R&D team enable the Group to expand its product portfolio in a rapid and cost-effective manner and remain competitive in the market. The strong sales channels of the Group, together with the promotion of new products, will help to further improve the Group's sales performance in future. In addition, the Group will continue to optimise the management structure and integrate the overseas business. Based on the business in the U.S. and the UK, it will continue to strengthen the business in the Middle East and Southeast Asia markets, while promoting the developed cost-effective products and intelligent products to different overseas markets. The Group will proactively improve its brand image to enhance its brand awareness in international markets.

North American and Japanese Markets

In the U.S. market, the significant volatility caused by tariffs has led to the shift of products produced in high-risk tariff zones to safer regions with less stringent tariffs. This is an opportunity that we are highly focusing on in the third quarter of 2025. Leveraging our advantage of high levels of in-house production, we will actively compete for products on existing shelves in offline physical stores. These product lines are market-proven, with stable sales volumes and prices, and offer a path to rapid business growth. Furthermore, we will remain committed to innovation and plan to launch innovative lights combinations and structures as well as rectangular ceiling lights that are easy to install in the second half of the year. Meanwhile, we will further analyze the reasons for the decline in shelf sales of existing commercial products, upgrade product specifications and technologies, and review our product line structure and overall layout to stabilize and expand our commercial product business.

In the second half of the year, we will focus on online sales of new ETI-branded products. Through active traffic generation, optimized product pages, short videos on installation and promotional campaigns, we will create approximately ten highly anticipated products with excellent specifications and a high cost-performance ratio.

In the second half of 2025, Japan's economy is likely to continue its weak recovery, but will be vulnerable to external shocks. Inflation exceeds expectations, with the CPI forecast raised from 2.2% to 2.7%, suggesting increasing pressure. High food prices (such as rice), coupled with the depreciation of the Japanese yen (recently falling below 150 Japanese yen per U.S. dollar), are driving up import costs.

In the second half of 2025, the Japanese lighting market is expected a moderate growth, with a differentiated pattern of strong commercial use and stable residential use. Inflation exceeds expectations, prompting households to postpone non-essential lighting upgrades, leading to a slowdown in the growth of high-priced smart lighting products.

In the second half of the year, new products will be gradually introduced through the retail channels. E-commerce sales will also be expanded, with plans to launch new products on online platforms such as Amazon and Rakuten.

In the second half of 2025, the Japanese team will strive to expand sales, with the main task of promoting our own-brand business while focusing on developing new customers. We will continue to expand sales channels and strengthen online sales.

UK and Nordic Markets

The UK management anticipates that sales performance in the UK and Nordic markets will improve in the second half of the year, given the changes to the sales team at NVC UK in the first half, the strong order book for D&H, and the upcoming launch of new products in the Nordics.

Other Overseas Markets

Vietnam Market – Moving forward, we will shift focus from low-volume customized projects to standardized solutions through Flow Projects.

Singapore & Surrounding Markets – We anticipate increased Flow Project activity in H2 2025. We also plan to expand our operations into Southern Malaysia to drive additional growth.

Brand and Marketing Activities – Our marketing strategy remains centered on positioning Singapore as the ASEAN Hub. Key initiatives include: Participation in major exhibitions; Hosting customer seminars in our showrooms; Facilitating follow-up business discussions. This move aims to enhance brand visibility and allow for more effective promotion of our product solutions.

Market Challenges – In Vietnam, extensive customization continues to cause long lead times and delays in decision-making. In Pakistan, government projects remain slow-moving. In Sri Lanka, the lingering effects of economic crises and past bankruptcies continue to hinder progress. We anticipate these challenges will persist through the rest of 2025.

Brand Building, Product Development and Internal Management

Brand growth and business development complement each other. In the second half of 2025, the Group's branding strategy continues to emphasize steady investment with long-term brand equity building; nurturing our growing portfolio of sub-brands covering different regions and continuing refining their brand images and sharpening their brand narratives. In the second half of year, key brand assets, including visual identities, promotional videos, official websites, and social media channels, will undergo strategic upgrades for selected brands. At the same time, the Group will allocate dedicated marketing resources to enhance brand awareness and unlock new business opportunities across markets.

In future product research and development, NVC International Research Institute will further promote the core value of "NVCI – driven by nature and presented with technology". We will research lighting technologies that improve the human environment, expand the application of core patented technologies and continue to improve the cost performance of our products in the depth and breadth of our existing product lines. We will also rationally utilize platformization, serialization, modularization and standardization to continuously provide new products and services that meet market needs, thereby empowering consumers and users, providing a comfortable and healthy lighting environment and improving people's quality of life.

As market competition further intensifies, the cost competitiveness of products needs to be further improved. In terms of supply chain, raw material price control will be a key concern of the Group. The Group will control procurement costs in the following ways: implementing and consolidating the results of annual bidding to further reduce procurement costs; facilitating the cost reduction programs for key products according to the annual plan; continuously promoting special cost reduction projects such as self-production, technical transformation and supplier integration; and re-evaluating Vietnamese supplier resources to reinforce cooperation with high-quality Vietnamese supplier resources and further expand the proportion of local procurement in Vietnam. In addition, the Group will continue to advance the digitalization and informatization construction throughout the Group. In the second half of 2025, the Group will be devoted to promoting the enterprise resource planning ("ERP") system transformation of its subsidiaries, so as to achieve cross- regional cooperation globally and resource sharing among main businesses, thereby enhancing the overall operating efficiency of the Group. Meanwhile, the Group will enhance its ERP function and, by adding different functions, further enhance its governance effectiveness.

FINANCIAL REVIEW

Sales Revenue

Sales revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts. During the Period under Review, the sales revenue of the Group amounted to US\$107,162,000, representing a decrease of 9.6% as compared with Corresponding Period.

For business management need and the nature of business units based on the products and market, the Group classified the reportable operating segments as follows:

Revenue by geographical locations, NVC brand sales and non-NVC brand sales

The table below sets forth the sales revenue by geographical locations, NVC brand products and non-NVC brand products and the growth rate of each item. Our non-NVC brand products primarily consist of ODM products.

	Six months ended 30 June		
	2025	2024	Growth rate
	US\$'000	US\$'000	
Sales revenue from the PRC			
Non-NVC brands	<u>4,348</u>	<u>5,063</u>	<u>(14.1%)</u>
Sales revenue from international markets			
NVC brand	<u>15,859</u>	<u>16,812</u>	<u>(5.7%)</u>
Non-NVC brands	<u>86,955</u>	<u>96,635</u>	<u>(10.0%)</u>
Subtotal	<u>102,814</u>	<u>113,447</u>	<u>(9.4%)</u>
Total	<u><u>107,162</u></u>	<u><u>118,510</u></u>	<u><u>(9.6%)</u></u>

During the Period under Review, sales revenue from the PRC decreased by 14.1%, due to increasingly fierce competition from other competitors. During the Period under Review, international sales decreased by 9.4%. This led to a decrease in the overall sales revenue by 9.6% comparing with Corresponding Period.

Cost of Sales

Cost of sales mainly consists of the cost of raw materials, outsourced manufacturing costs, labor costs and indirect costs. Major raw materials of the Group include iron, aluminum and alloys, glass tubes, electronics components and LED packaged chips. Outsourced manufacturing costs primarily include the cost of purchased semi-finished products used in the production of our products and finished products produced by other manufacturers. Indirect costs primarily include water, electricity, depreciation and amortisation and others. The table below sets forth the composition of our cost of sales:

	Six months ended 30 June			
	2025		2024	
	<i>Percentage</i>		<i>Percentage</i>	
	<i>in revenue</i>		<i>in revenue</i>	
	<i>US\$'000</i>	<i>(%)</i>	<i>US\$'000</i>	<i>(%)</i>
Raw materials (including outsourced manufacturing costs)	53,934	50.3%	66,197	55.9%
Labor costs	7,906	7.4%	8,323	7.0%
Indirect costs	4,746	4.4%	6,883	5.8%
Total cost of sales	66,586	62.1%	81,403	68.7%

During the Period under Review, the cost of sales as a percentage in revenue decreased from 68.7% to 62.1%, while the gross profit margin increased from 31.3% to 37.9%, primarily due to the decrease in raw materials, the Group has implemented self-production processes for blow molding, extrusion, and roll parts, replacing purchases from third-party vendors for assembly.

Gross Profit and Gross Profit Margin

Gross profit is calculated as the net value of sales revenue less cost of sales.

During the Period under Review, gross profit of sales of the Group was US\$40,576,000 representing an increase of 9.3% as compared with the Corresponding Period, and gross profit margin of sales increased from 31.3% to 37.9%. The gross profit and gross profit margin by segments are shown as follows:

The table below shows the gross profit and gross profit margin by geographical locations and NVC brand products and non-NVC brand products for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	<i>US\$'000</i>	<i>(%)</i>	<i>US\$'000</i>	<i>(%)</i>
Gross profit from the PRC sales:				
Non-NVC brands	<u>759</u>	<u>17.5%</u>	<u>948</u>	<u>18.7%</u>
Gross profit from international sales:				
NVC brand	<u>6,089</u>	<u>38.4%</u>	<u>7,093</u>	<u>42.2%</u>
Non-NVC brands	<u>33,728</u>	<u>38.8%</u>	<u>29,066</u>	<u>30.1%</u>
Subtotal	<u>39,817</u>	<u>38.7%</u>	<u>36,159</u>	<u>31.9%</u>
Total	<u><u>40,576</u></u>	<u><u>37.9%</u></u>	<u><u>37,107</u></u>	<u><u>31.3%</u></u>

The prices of commodities and freight costs have continuously decreased compared to the Corresponding Period, and therefore the production cost of the Group during the Period under Review decreased as compared with the Corresponding Period. The overall gross profit margin of the Group during the Period under Review increased from 31.3% to 37.9% compared with the Corresponding Period.

Other Income

Our other income mainly consist of government grants and other subsidies, bank interest income, surcharges from suppliers, rental income, consultancy service income, trademark licensing fee and others (the breakdown of other income is provided in Note 5 to the condensed consolidated financial statement in this announcement). We received various types of government grants in the form of tax subsidies, incentives for research and development activities and expansion of production capacity of energy-saving lamp. During the Period under Review, other income of the Group decreased by 9.9% as compared with the Corresponding Period, which was mainly due to the combined effect of the increase in government grants and other subsidies, and the decrease in bank interest income.

Other Gains and Losses

This item represents the Group's net foreign exchange gains, gain or loss from fair value changes of held-for-trade investment, gain or loss on disposal of property, plant and equipment and others during the Period under Review.

For the Period under Review, the Company recorded net gain of US\$8.4 million in respect of other gains and losses, as compared with net losses of approximately US\$0.6 million for the Corresponding Period. This shift from net losses to net gain was primarily attributable to (a) the net foreign exchange gain, which rose from approximately US\$0.1 million for the Corresponding Period to approximately US\$4.7 million for the Period under Review, and (b) the change in fair value of financial assets, which shifted from net losses of approximately US\$0.9 million for the Corresponding Period to net gains of approximately US\$3.6 million for the Period under Review.

Selling and Distribution Costs

Our selling and distribution costs mainly consist of freight costs, advertising and promotion expenses, staff costs and other costs including office expenses, customs clearance expenses, travelling expenses, depreciation and amortisation, insurance fees and other miscellaneous costs.

During the Period under Review, our selling and distribution costs were US\$15,180,000, representing a decrease of 3.4% as compared with Corresponding Period. Our selling and distribution costs as a percentage in revenue increased from 13.3% to 14.2% during the Period under Review.

Administrative Expenses

Our administrative expenses mainly consist of staff costs, amortisation and depreciation, research and development expenses, office expenses and other expenses including tax expenses, audit fees, other professional fees and other miscellaneous expenses. These taxes mainly include land use tax and stamp duty in connection with our administrative functions.

During the Period under Review, our administrative expenses were US\$15,980,000, representing an increase of 7.5% as compared with the administrative expenses of the Corresponding Period, which was mainly due to increase of staff costs. Our administrative expenses as a percentage in revenue increased from 12.5% to 14.9% during the Period under Review.

Finance Costs

Finance costs represent expenses of interest on bank loans and interest on lease liabilities.

Share of Results of Associates

This item represents the Group's share of net profits or net losses in the associates during the Period under Review.

Income Tax

During the Period under Review, the Group's income tax increased to US\$1,478,000 as compared with the Corresponding Period.

Profit for the Period (including Profit Attributable to Non-controlling Interests)

Due to the factors mentioned above, our net profit for the period (including profit attributable to non-controlling interests) was US\$15,264,000 during the Period under Review.

Profit for the Period Attributable to Owners of the Company

Due to the factors mentioned above, profit for the period attributable to owners of the Company was US\$15,218,000 during the Period under Review.

Profit for the Period Attributable to Non-controlling Interests

During the Period under Review, profit for the period attributable to non-controlling interests was US\$46,000.

CASH FLOWS AND LIQUIDITY

Cash Flows

The table below sets out selected cash flow data from our condensed consolidated statement of cash flows.

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
Net cash flows generated from (used in) operating activities	4,541	(267)
Net cash flows (used in) generated from investing activities	(2,488)	20,425
Net cash flows generated from (used in) financing activities	9,505	(8,968)
Net increase in cash and cash equivalents	11,558	11,190
Cash and cash equivalents at beginning of period	93,928	108,273
Effect of foreign exchange rate changes, net	(873)	(646)
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and cash flows	104,613	118,817

As at the end of the Period under Review, the cash and cash equivalents of the Group were mainly denominated in US\$, RMB, HK\$, GBP, JPY, SGD and VND. The RMB is not freely convertible into other currencies, however, under China's Regulations on the Management of Foreign Exchanges and Administration of Settlement, Sale and Payment of Foreign Exchange Provisions, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Liquidity

Sufficiency of net current assets and working capital

The table below sets out our current assets, current liabilities and net current assets as at the end of the Period under Review.

	30 June 2025 US\$'000 (unaudited)	31 December 2024 US\$'000 (audited)
CURRENT ASSETS		
Inventories	42,717	40,361
Trade and bills receivables	45,427	49,535
Other receivables, deposits and prepayments	10,916	10,671
Tax recoverable	84	12
Financial assets at FVTPL	58,364	54,731
Cash and cash equivalents	104,613	93,928
	<hr/>	<hr/>
Subtotal current assets	262,121	249,238
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade and bills payables	28,787	40,854
Other payables and accruals	31,452	32,498
Contract liabilities	2,916	2,184
Borrowings	13,722	2,603
Deferred income	141	140
Lease liabilities	2,128	1,436
Financial liabilities at FVTPL	893	334
Tax liabilities	2,097	2,492
	<hr/>	<hr/>
Subtotal current liabilities	82,136	82,541
	<hr/>	<hr/>
NET CURRENT ASSETS	179,985	166,697
	<hr/> <hr/>	<hr/> <hr/>

As at 30 June 2025 and 31 December 2024, the total net current assets of the Group amounted to US\$179,985,000 and US\$166,697,000, respectively, and the current ratio was 3.19 and 3.02, respectively. In light of our current liquidity position and our projected cash inflows generated from operations, the Directors believe that we have sufficient working capital for our present requirements and for the next 12 months.

CAPITAL MANAGEMENT

The table below sets out our gearing ratios as at the end of the Period under Review.

	30 June 2025 US\$'000	31 December 2024 US\$'000
Borrowings	<u>13,722</u>	<u>2,603</u>
Total debt	13,722	2,603
Less: cash and cash equivalents	<u>(104,613)</u>	<u>(93,928)</u>
Net debt	<u>N/A</u>	<u>N/A</u>
Total equity attributable to owners of the Company	<u>469,619</u>	<u>456,498</u>
Gearing ratio	<u>N/A</u>	<u>N/A</u>

The primary goal of our capital management is to maintain the stability and growth of our financial position. We regularly review and manage our capital structure and make corresponding adjustments, after taking into consideration changes in economic conditions, our future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. We manage our capital by monitoring our gearing ratio (which is calculated as net debt divided by the total equity attributable to owners of the Company). Net debt is the balance of borrowings less cash and cash equivalents.

CAPITAL EXPENDITURE

We funded our capital expenditure with cash generated from operations and bank loans. Our capital expenditure is primarily related to expenditure on property, plant and equipment and other intangible assets. During the Period under Review, the Group's capital expenditure amounted to US\$3,682,000, mainly attributable to the increase in cost of property, plant and equipment.

OFF-BALANCE SHEET ARRANGEMENT

We did not have any outstanding derivative financial instruments or off-balance sheet guarantees for outstanding loans. We did not engage in trading activities involving non-exchange traded contracts during the Period under Review.

CAPITAL COMMITMENTS

As of 30 June 2025, the capital commitments in respect of purchase of property, plant and equipment was US\$387,000 (31 December 2024: US\$484,000).

CONTINGENT LIABILITY

During the current interim period, a subsidiary of the Group was involved in a legal dispute concerning patent infringement, arising in the normal course of business.

At the end of the reporting period and up to date on which these condensed consolidated financial statements are authorised for issue, the directors of the Company are of the opinion, taking into account of the advice from the Group's external legal counsel, the expected outcome of this legal dispute is uncertain. Therefore, it is not practicable for the directors of the Company to estimate reliably the amount of the obligation that may arise from this dispute, and the timing and any potential impact on the Group.

MERGERS, ACQUISITIONS, INVESTMENTS AND DISPOSALS AND SIGNIFICANT INVESTMENTS HELD

During the Period under Review, the Group made no material acquisition, merger, investment or disposal of subsidiaries, associates and joint ventures and there were no significant investments held.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group had not authorised any plans for any other material investments or additions of capital assets as at 30 June 2025 and up to the date of this announcement.

PLEDGE OF ASSETS

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	30 June 2025 US\$'000	31 December 2024 US\$'000
Property, plant and equipment	6,057	5,618
Trade receivables	5,863	7,777

MARKET RISKS

We are exposed to various market risks in the ordinary course of business. Our risk management strategy aims to minimise the adverse effects of these risks to our financial results.

Foreign Currency Risk

We are exposed to transactional currency risk. Such risk arises from sales or procurement by operating units in currencies other than its functional currency. As a result, we are exposed to fluctuations in the exchange rate between the functional currencies and foreign currencies. During the Period under Review, the Group had entered into several forward currency contracts in place to hedge the foreign exchange exposure, therefore did not experience any material difficulties or negative impacts on our operations or liquidity as a result of fluctuations in currency exchange rates.

Commodity Price Risk

We are exposed to fluctuations in the prices of raw materials which are influenced by global changes as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect our financial performance. We did not enter into any commodity derivative instruments to hedge the potential commodity price changes.

Liquidity Risk

We monitor our risk of having a shortage of funds by considering the maturity of our financial instruments, financial assets and liabilities and projected cash flows from operations. Our goal is to maintain a balance between continuity and flexibility of funding through the use of bank loans and other interest-bearing loans. Our directors have reviewed our working capital and capital expenditure requirements and determined that we have no significant liquidity risk.

Credit Risk

Our major credit risk arises from exposure to a substantial number of trade and bills receivables, deposits and other receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in China, Hong Kong and Singapore. We also have policies that limit our credit risk exposure to any financial institutions. The carrying amounts of trade and bills receivables, deposits and other receivables, cash and cash equivalents and short-term deposits included in the condensed consolidated statement of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2025, we entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered 90% uncollectible receivables from international sales during the period from 1 July 2025 to 30 June 2026 with a maximum compensation amount of US\$20,000,000. We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts when they become due.

EVENTS AFTER THE PERIOD UNDER REVIEW

No important events affecting the Company occurred since 30 June 2025 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

EMPLOYEES

As at 30 June 2025, the Group had approximately 1,901 employees in total (31 December 2024: 2,163). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes, and discretionary incentive scheme. The Group regards training management as a part of its daily operations, and continuously improves its internal staff training system to better help staff to improve their professional skills. According to the work and training needs of each department, we formulate scientific and reasonable employee training and development plans. In terms of training forms, we combine classroom lectures with practical operations to encourage employees to apply what they have learned. After the training, the Group also conducts an effectiveness assessment to understand the learning outcomes of employees. If the assessment result is not satisfactory, we will improve the training method or reorganise the training according to the situation.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period under Review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including the sale of treasury shares, if any). As at 30 June 2025, the Company did not have any treasury shares.

CORPORATE GOVERNANCE

The Company has adopted the code provisions of the CG Code as its own code of corporate governance. The Directors are of the opinion that, during the Period under Review, save for code provisions C.2.1 and F.1.3 set out below, the Company had fully complied with the principles and code provisions set out in Part 2 of the CG Code.

Under code provision C.2.1 of Part 2 of the CG code, the roles of the chairman and the chief executive officer (“CEO”) should be separate and should not be performed by the same individual. As announced on 28 March 2025, Ms. CHAN Kim Yung, Eva (an executive Director) resigned as CEO of the Company with effect from 1 April 2025; since her resignation, the Company has been in search for a new CEO. During the period, Mr. WANG Donglei (an executive Director and the chairman of the Board) Ms. YANG Yan, the chief operating officer of the Company assumed (and remained as at the date of this announcement) the responsibilities of CEO.

Taking into account Mr. WANG Donglei’s in-depth understanding of the Group’s business and that major decisions are being made in consultation with members of the Board and relevant Board committees, the Board considers that the deviation from code provision C.2.1 is appropriate in such circumstances and the arrangement enables more effective planning and execution of long-term business strategies and enhances efficiency in decision-making during the interim period prior to the appointment of a new CEO.

In respect of code provision F.1.3 of Part 2 of the CG Code, the chairman of the Board should attend the annual general meeting. Mr. WANG Donglei, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 13 June 2025 (the “AGM”) due to other work commitment.

Mr. XIAO Yu, an executive Director, was elected to act as chairman of the AGM pursuant to the articles of association of the Company to ensure an effective communication with the Shareholders at the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding Directors’ securities transactions. A specific enquiry has been made to all Directors, and all the Directors confirmed that they have complied with all relevant requirements set out in the Model Code during the Period under Review. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the Period under Review.

AUDIT COMMITTEE

The Company established the Audit Committee in compliance with the Listing Rules with written terms of reference. The primary duties of the Audit Committee include maintaining relationship with the auditor of the Group, reviewing financial information of the Group, supervising the financial reporting system, risk management and internal control systems of the Group, and the duties of corporate governance designated by the Board. As of the date of this announcement, the Audit Committee consists of three independent non-executive Directors as members, namely, Mr. LEE Kong Wai, Conway, Mr. WANG Xuexian and Mr. CHEN Hong, respectively. Mr. LEE Kong Wai, Conway is the chairman of the Audit Committee. The Audit Committee has reviewed and discussed the interim results for the Period under Review.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) in compliance with the Listing Rules with written terms of reference. The primary duties of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. As of the date of this announcement, the Remuneration Committee consists of one executive Director and two independent non-executive Directors as members, namely, Ms. CHAN Kim Yung, Eva, Mr. LEE Kong Wai, Conway and Mr. WANG Xuexian, respectively. Mr. LEE Kong Wai, Conway is the chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The Company established a nomination committee (the “**Nomination Committee**”) in compliance with the Listing Rules with written terms of reference. The primary duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors. As of the date of this announcement, the Nomination Committee consists of two executive Directors and three independent non-executive Directors as members, namely, Mr. WANG Donglei, Ms. CHAN Kim Yung, Eva, Mr. LEE Kong Wai, Conway, Mr. WANG Xuexian and Mr. CHEN Hong, respectively. Mr. WANG Donglei is the chairman of the Nomination Committee.

STRATEGY AND PLANNING COMMITTEE

The Company established a strategy and planning committee (the “**Strategy and Planning Committee**”) under the Board with written terms of reference. The primary duty of the Strategy and Planning Committee is to propose and formulate the strategic development plan of the Company for the Board’s consideration. As of the date of this announcement, the Strategy and Planning Committee consists of four executive Directors and one independent non-executive Director as members, namely, Mr. WANG Donglei, Ms. CHAN Kim Yung, Eva, Mr. XIAO Yu, Mr. WANG Keven Dun and Mr. WANG Xuexian, respectively. Mr. WANG Donglei is the chairman of the Strategy and Planning Committee.

CHANGES OF DIRECTORS AND CHANGES IN THEIR INFORMATION

From 1 January 2025 and up to the date of this announcement, the changes of the Board, the Board committees, and changes in the Directors’ personal information are as follows:

Ms. CHAN Kim Yung, Eva

- Ms. CHAN Kim Yung, Eva resigned as the CEO of the Company with effect from 1 April 2025.
- Ms. CHAN Kim Yung, Eva was appointed as a member of the Nomination Committee with effect from 27 June 2025.

Mr. WANG Xuexian

- Mr. WANG Xuexian was appointed as a member of the Nomination Committee with effect from 27 June 2025.

Save as disclosed above, there was no change in the Board and the information of Directors that should be disclosed under Rule 13.51B(1) of the Listing Rules.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.nvc-international.com. The interim report for the Period under Review of the Group containing all the information required by the Listing Rules will be made available on the above websites in due course.

REVIEW OF INTERIM RESULTS

The Group's interim results for the Period under Review have been reviewed by the Audit Committee and approved by the Board. The Audit Committee, together with the Board, is of the view that the interim results of the Group were prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The Group's interim results for the Period under Review have also been reviewed by Deloitte Touche Tohmatsu, the external auditor of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

The Board would like to take this opportunity to express its appreciation to the management and employees of the Group for their contribution during the Period under Review and also to give its sincere gratitude to all the Shareholders for their continued support.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings.

“Audit Committee”	the audit committee of the Company.
“Board”	the board of directors of the Company.
“China” or “PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “China” and the “PRC” do not apply to Taiwan, the Macau Special Administrative Region and Hong Kong.
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.
“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 the Company are listed on the Main Board of the Stock Exchange (stock code: 2222).
“Corresponding Period”	the six months ended 30 June 2024.
“Director(s)”	the director(s) of the Company.
“Group”	the Company and its subsidiaries.

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“LED”	light-emitting diode.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.
“ODM”	original design manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer’s brand name.
“Period under Review”	the six months ended 30 June 2025.
“RMB”	Renminbi, the lawful currency of the PRC.
“SEK”	Swedish Krona, the lawful currency of Sweden
“Share(s)”	ordinary share(s) of US\$0.000001 each in the share capital of the Company.
“Shareholder(s)”	holder(s) of Share(s).

“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Subsidiary”	has the meaning ascribed thereto under the Listing Rules.
“treasury shares”	has the meaning ascribed thereto under the Listing Rules.
“UK”	the United Kingdom of Great Britain and Northern Ireland.
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction.
“US\$”	United States dollars, the lawful currency of the United States.
“we”, “us” or “our”	the Company or the Group (as the context may require).

By Order of the Board
NVC INTERNATIONAL HOLDINGS LIMITED
WANG Donglei
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Directors are:

Executive Directors:

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

Non-executive Director:

YE Yong

Independent Non-executive Directors:

LEE Kong Wai, Conway
 WANG Xuexian
 CHEN Hong