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(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2222)

INSIDE INFORMATION

NEGATIVE PROFIT ALERT

This announcement is made by NVC Lighting Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to update the shareholders of the Company (the “**Shareholders**”) and potential investors that based on its latest preliminary assessment of the Group’s currently available unaudited management accounts, it believes that the Group may record a net loss attributable to owners of the parent for the year ended 31 December 2018, as compared to the profit attributable to owners of the parent for the year ended 31 December 2017.

This turnaround from a profit to a loss is largely due to the following reasons:

- (i) an increase in the impairment provision to be made in connection with recent developments involving the Irrecoverable Amount (as defined below). As previously disclosed, time deposits of RMB550,924,000 of a subsidiary of the Company (the “**Subsidiary**”) had previously been withdrawn by several banks due to defaults of bank loans which were allegedly guaranteed by the Subsidiary pursuant to several alleged pledge and guarantee agreements (the “**Pledge and Guarantee Agreements**”) entered into by Mr. WU Changjiang (the Company’s former CEO) purportedly on behalf of the Subsidiary. Counter guarantees (the “**Counter Guarantees**”) had been provided by one of the borrowers of the bank loans, Chongqing Wu Ji Real Estate Development Co., Ltd. (重慶無極房地產開發有限公司) (“**Wu Ji**”), to the Group in respect of the Group’s potential exposure under the Pledge and Guarantee Agreements, and the Group initiated legal actions to claim on the Counter Guarantees provided by Wu Ji. As previously disclosed, an aggregate amount of RMB550,924,000 had been recognised as other receivables due from Wu Ji, with an amount of RMB265,564,000 being treated as recoverable and a provision of RMB285,360,000 made for the irrecoverable amount (the “**Irrecoverable Amount**”). The view of the management of the Company that an amount of RMB265,564,000 was recoverable was based on, among others, the Counter Guarantees provided by Wu Ji.

Please refer to the Company's 2018 interim report and the announcement dated 27 June 2018 for details of the Lawsuits and the Counter Guarantees. The making of provision in connection with the Irrecoverable Amount and the Lawsuits is arrangement to be made in the Group's consolidated financial statements for the year ended 31 December 2018 for historical issues and will not involve any payment of cash in 2018.

The Company is still in the process of finalising the final results of the Group for the year ended 31 December 2018. The information contained in this announcement is based solely on the Board's preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2018, but not based on any financial data or information that has been audited or reviewed by the Company's auditor. Details of the Group's financial performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published in due course pursuant to the requirements of the Listing Rules. Shareholders and potential investors should read carefully such results announcement when it is issued.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
NVC Lighting Holding Limited
Wang Donglei
Chairman

Hong Kong, 1 March 2019

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

Executive Directors:

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

Non-executive Directors:

YE Yong

Independent Non-executive Directors:

LEE Kong Wai, Conway
WANG Xuexian
WEI Hongxiong
SU Ling