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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)

DISCLOSEABLE TRANSACTION DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

THE AGREEMENT

On 2 June 2026, Youtong Technology (an indirect subsidiary of the Company), the Subscriber and the Target Company (an indirect subsidiary of the Company) entered into the Agreement, pursuant to which the Subscriber agreed to contribute a total of RMB8,450,000 in cash, for subscribing the additional registered capital of the Target Company in the amount of RMB5,000,000 and an amount of RMB3,450,000 to be credited to the capital reserve of the Target Company.

Following completion of the Capital Injection, the equity interest of Youtong Technology in the Target Company would be diluted from 100% to 80% and the Target Company would continue to be a subsidiary of the Company, and its financial results would continue to be consolidated in the financial results of the Company.

LISTING RULES IMPLICATIONS

Following completion of the Capital Injection, the equity interest of Youtong Technology in the Target Company would be diluted from 100% to 80%. The transactions contemplated under the Agreement constituted a deemed disposal of equity interest in the Target Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Capital Injection exceeded 5% but was less than 25%, the Capital Injection constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

2 June 2026

Parties

- (1) Youtong Technology (an indirect subsidiary of the Company);
- (2) The Subscriber; and
- (3) The Target Company (an indirect subsidiary of the Company).

Subject Matter

The Subscriber agreed to contribute a total of RMB8,450,000 in cash, for subscribing the additional registered capital of the Target Company in the amount of RMB5,000,000 and an amount of RMB3,450,000 to be credited to the capital reserve of the Target Company

Immediately prior to the Capital Injection, the Target Company was wholly-owned by Youtong Technology, with a registered capital of RMB20,000,000. Following completion of the Capital Injection, the Target Company would have an enlarged registered capital of RMB25,000,000 and the Target Company will be owned as to 80% by Youtong Technology and 20% by the Subscriber.

Capital Injection

As at the date of the Agreement, the Subscriber has fulfilled its payment obligations in relation to the Capital Injection in full.

Basis of determining the amount of the Capital Injection

The amount of the Capital Injection was determined after arm's length negotiations among the parties to the Agreement with reference to (i) the valuation (“**Valuation**”) of 100% equity interest in the Target Company by using market approach as appraised by the Valuer, being approximately RMB42,238,000 as at 31 December 2025, (ii) the unaudited consolidated net asset value of the Target Company and its subsidiary as at 31 December 2025 of approximately RMB36,604,000; and (iii) the reasons for and benefits of the Capital Injection. For details of the Valuation, please refer to the appendix to this announcement.

Restrictions on transfer of shares in the Target Company

No shareholder of the Target Company may transfer, pledge or otherwise dispose of its shares in the Target Company without the consent of all shareholders of the Target Company for a period of 3 years following completion of the Capital Injection (the “**Lock-up Period**”).

In addition, during the Lock-up Period, shareholders of the Subscriber who are key managers of the Target Company may not transfer, pledge or otherwise dispose of the equity interest in the Subscriber, without the prior written consent of Youtong Technology and the Target Company. The Subscriber shall procure execution of relevant undertakings by the key managers.

Following the expiry of the Lock-up Period, any transfer of shares by the Subscriber shall remain subject to the right of first refusal of Youtong Technology and other restrictions under the Agreement and the articles of association of the Target Company. In addition, without the prior written consent of Youtong Technology, the Subscriber may not transfer its shares to restricted transferees or their affiliates until the 20th anniversary of the date of completion of the Capital Injection.

Completion

The Target Company shall apply to the applicable company registration authority in the PRC for the necessary registration and filing in respect of the Capital Injection within 15 business days following completion of the Capital Injection.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability. The Target Company and its subsidiary are engaged in the production and sales of energy-saving lamps, research and development of new technologies for processing energy-saving lighting fixtures and import and export of goods.

Immediately before the date of the Agreement, the Target Company was wholly-owned by Youtong Technology, which is in turn an indirect non-wholly owned subsidiary of the Company.

Set out below is the unaudited consolidated financial information of the Target Company and its subsidiary for the two financial years ended 31 December 2024 and 2025, prepared in accordance with the generally accepted accounting principles of the PRC:

	For the year ended 31 December 2025	For the year ended 31 December 2024
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	8,716	27,369
Profit after taxation	8,248	26,194

The unaudited consolidated net asset value of the Target Company and its subsidiary as at 31 December 2025 was approximately RMB36,604,000.

FINANCIAL EFFECT OF THE DEEMED DISPOSAL TO THE GROUP AND THE USE OF PROCEEDS

Following completion of the Capital Injection, the equity interest of Youtong Technology in the Target Company would be diluted from 100% to 80%. The Target Company would continue to be a subsidiary of the Company, and its financial results would continue to be consolidated in the financial results of the Group. Subject to final audit, the Capital Injection will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in the Company's financial results.

The Target Company intends to utilise the proceeds from the Capital Injection mainly for working capital purposes.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

In order to attract, incentivize and retain key managers and promote the long-term and stable development of the Target Company, Youtong Technology and the Target Company are committed to establishing an incentive mechanism for the Target Company. The Company believes that the Agreement establishes a mechanism for the sharing of benefits and risks among the shareholders and the key managers of the Target Company, aligning the interests of the key managers with those of the Target Company and its shareholders as a whole. This can incentivize and reward the key managers for their continued contributions to the growth and success of the Target Company, which in turn bring returns to its shareholders.

Accordingly, the Directors, including the independent non-executive Directors, consider that the terms of the Agreement and the transactions contemplated thereunder are entered into after arm's length negotiations between the parties on normal commercial terms and the terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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 Company and its subsidiaries are principally engaged in the manufacture and sales of lamps, luminaries, lighting electronic products and related products.

Youtong Technology is a company established in the PRC with limited liability on 15 December 2025, which is principally engaged in technology development and related technical services, information consulting, digital advertising services, and import and export electronic equipment businesses.

As at the date of this announcement, based on information available to the Company, Youtong Technology is held as to (i) 51% ultimately by the Company; and (ii) 49% by Zhejiang Tongjing New Energy Group Co., Ltd.* (浙江同景新能源集團有限公司) (“**Zhejiang Tongjing**”), which is in turn ultimately owned by Mr. Xu Yongsheng and Mr. Wu Jiannong.

The Subscriber is a company established in the PRC with limited liability and is a key manager shareholding platform. It is established by the key managers of the Target Company and is owned as to 75% by Zhan Renyan, 6.25% by Jiang Rongjuan, 6.25% by Mao Weijian, 6.25% by Wu Xin and 6.25% by Xue Jianwu. Each of the aforesaid persons is a non-director key manager of the Target Company and its subsidiary.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, notwithstanding the above, the Subscriber and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATION

Following completion of the Capital Injection, the equity interest of Youtong Technology in the Target Company would be diluted from 100% to 80%. The transactions contemplated under the Agreement which would constitute a deemed disposal of equity interest in the Target Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Capital Injection exceeded 5% but was less than 25%, the Capital Injection constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	a capital injection agreement dated 2 June 2026 among Youtong Technology, the Subscriber and the Target Company, as amended and supplemented by a supplemental agreement dated 2 June 2026 entered into by the same parties, in relation to the Capital Injection
“Board”	the board of Directors
“Capital Injection”	the proposed injection by the Subscriber in cash, for subscribing equity interest in the Target Company
“Company”	NVC International Holdings Limited (雷士國際控股有限公司), 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 (stock code: 2222)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the Shares

“Shares”	ordinary shares of US\$0.000001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Zhejiang Miler Technology Co., Ltd.* (浙江米雷科技有限公司), a company established in the PRC with limited liability
“Target Company”	Zhejiang NVC Lighting Co., Ltd.* (浙江雷士燈具有限公司), a company established in the PRC with limited liability on 28 September 2007 and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“US\$”	United States dollar, the lawful currency of the United States of America
“Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, being the independent valuer engaged by the Company to conduct the valuation of 100% equity interest in the Target Company
“Youtong Technology”	Zhejiang Youtong Technology Co., Ltd.* (浙江友同科技有限公司), a company established in the PRC with limited liability on 15 December 2025 and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 2 June 2026

* *For identification purposes only*

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

APPENDIX – VALUATION OF 100% EQUITY INTEREST IN THE TARGET COMPANY (THE “SUBJECT”)

In assessing the fairness and reasonableness of the Consideration, the Company has taken into account, among other things, the valuation of 100% equity interest in the Target Company (the “**Subject**”) as at 31 December 2025 (the “**Valuation Date**”) prepared by the Valuer, on a market value basis and in accordance with the International Valuation Standards.

SELECTION OF VALUATION APPROACHES

In order to determine the market value of the Subject, the Valuer considered three generally accepted approaches, namely market approach, cost approach and income approach. The Valuer considers that the cost approach is inappropriate for the Valuation as it does not directly incorporate information about the economic benefits contributed by the Subject. The income approach is also considered inappropriate as it requires detailed operational information and long-term financial projections of the Target Company, but such information with substantial objective supporting data was not available to the Valuer.

The market approach relies on market data from comparable companies or transactions, reflecting what investors are currently willing to pay for similar equity interests. Such approach was adopted in the Valuation as the Valuer considers that there are sufficient publicly listed companies comparable to the Target Company in terms of industry relevance and geographic focus.

KEY ASSUMPTIONS

Set out below are the key assumptions made by the Valuer in determining the market value of the Subject:

- continuation of prudent and effective management policies over such period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued;
- there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;

- the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- copies of the operating licenses and company incorporation documents provided to the Valuer are reliable and legitimate;
- the financial and operational information such as management accounts and contractual agreements, provided to the Valuer by the Company are accurate; and
- there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

CERTAIN PARTICULARS OF MARKET APPROACH

Selection of the comparison method of transaction cases

There are two common methods under market approach, namely, guideline public company method and guideline transaction method. The Valuer adopted the guideline public company method. The guideline transaction method was not adopted due to the lack of recent comparable transactions with sufficient publicly available data. The guideline public company method requires the research of comparable companies' benchmark multiples and selection of an appropriate multiple.

Benchmark multiple

The Valuer considered commonly used multiples, including Price-to-earnings multiple (the "**P/E Multiple**"), Price-to-book multiple (the "**P/B Multiple**"), Price-to-sales multiple (the "**P/S Multiple**"), enterprise value-to-sales multiple (the "**EV/Sales Multiple**"), enterprise value-to-earnings before interest and tax multiple (the "**EV/EBIT Multiple**") and enterprise value to earning before interest, tax, depreciation and amortization multiple (the "**EV/EBITDA Multiple**").

The Valuer adopted the EV/EBITDA multiple, which is estimated by dividing enterprise value by earning before interest, tax, depreciation and amortization. After considering the business cycle and profitability of the Target Company, the Valuer considered that the Target Company is a mature company maintaining profit-making position for the latest two financial years, and EV/EBITDA is less affected by differences in capital structure, financing costs and tax position among comparable companies, hence the EV/EBITDA Multiple is the most appropriate multiple. P/E Multiple, P/B Multiple and P/S Multiple were not adopted as they are more likely to be distorted when companies are having different capital structures, while EV/Sales Multiple was not adopted as it does not reflect cost structure and profitability of companies.

Selection of comparable companies

In determining the market multiple for the purpose of the Valuation, the Valuer identified comparable companies based on the following criteria:

- publicly listed on stock exchanges in Hong Kong, Shenzhen or Shanghai;
- searchable on the Capital IQ database;
- principally engaged in the production and sale of energy-saving lighting products;
- deriving at least 70% of revenue from such business;
- deriving at least 50% of revenue from overseas markets;
- operating under both self-owned brands and non-self-owned brands (including OEM/ODM); and
- having sufficient financial data available, including EV/EBITDA multiples as at the Valuation Date.

Based on the above criteria, the Valuer identified an exhaustive list of comparable companies on a best-effort basis from Capital IQ for the purpose of the Valuation. The details of the comparable companies are listed below:

Company Name	Revenue from lighting products	Revenue from overseas markets	Company Description
NVC International Holdings Limited	100%	95%	The company engages in the manufacture and sale of lamps, luminaries, lamp transformers, lighting electronic products, and other appliances in China, the United States, Japan, the Netherland, the United Kingdom, and internationally. It offers LED lighting fixtures, retrofits, and replacement lamps; and personalized pendants, chandeliers, and other lighting solutions for luxury residences, hotels, superyachts, and restaurants.
Shenzhen SNC Opto Electronic Co., Ltd.	100%	96%	The company engages in the research and development, production, and sale of LED lighting products in China and internationally. It offers outdoor lighting products, including LED street, wallpack, floor, post top pole, and high mast lighting products; and LED sports lighting, and hazardous location LED and LED grow light products.
Up-shine Lighting Co., Limited	100%	96%	The company engages in the research and development, manufacturing, and sale of LED lighting products worldwide. It offers commercial lighting products, such as design downlight, SMD LED ceiling light, and COB LED adjustable track light; industrial lighting products, including mining lamps, street light, and explosion-proof light; and educational lighting products, such as eye protection classroom and blackboard lamp, and round eye protection lamp.

Company Name	Revenue from lighting products	Revenue from overseas markets	Company Description
Zhejiang Yankon Group Co., Ltd.	100%	83%	The company engages in the research, development, production, and sales of lighting appliances in China. Its products include LED lighting and control systems across commercial, home, office, outdoor, track, industrial, educational, and other general lighting, as well as emergency and plant lighting.
Hengdian Group Tospo Lighting Co., Ltd.	100%	77%	The company engages in the research and development, production, sale, and servicing of civil, commercial, and automotive lighting products in China.
Shenzhen Sea Star Technology Co., Ltd.	70%	62%	The company engages in the R&D, production, and sales of intelligent terminals and hardware in China. Its offerings include semiconductor packaging and testing equipment components, new energy products, and LED smart lighting solutions with supporting smart terminals.

- Some key financial information of the comparable companies is listed below:

Company Name	Market Capitalization as at the Valuation Date	Enterprise Value as at the Valuation Date	Last Twelve-month EBITDA	Last Twelve-month Net Operating Profit after Tax (NOPAT)
NVC International Holdings Limited	HKD330 million	HKD(882) million	HKD123 million	HKD 32 million
Shenzhen SNC Opto Electronic Co., Ltd.	RMB3,457 million	RMB3,014 million	RMB47 million	RMB(9) million
Up-shine Lighting Co., Limited	RMB4,292 million	RMB3,148 million	RMB203 million	RMB136 million
Zhejiang Yankon Group Co., Ltd.	RMB4,499 million	RMB2,193 million	RMB221 million	RMB89 million
Hengdian Group Tospo Lighting Co., Ltd.	RMB6,028 million	RMB3,526 million	RMB287 million	RMB147 million
Shenzhen Sea Star Technology Co., Ltd.	RMB4,955 million	RMB4,843 million	RMB78 million	RMB47 million

The comparable companies are of significantly different size from the Target Company. Therefore, the base multiples were adjusted to reflect the difference in natures between the comparable companies and Target Company.

KEY INPUTS TO THE VALUATION

Adjustment of EV/EBITDA Multiple

The adjustment to the EV/EBITDA multiples was carried out with reference to a formula set out in “Financial Valuation – Applications and Model, 2017” by James R. Hitchner for the benchmark multiple adjustments. The adjustment formula applied in the Valuation is:

$$\text{Adjusted EV/EBITDA Multiple} = 1 / ((1 / M) + \theta \times (E / EV) \times (EBITDA / NOPAT))$$

where:

M	=	The EV/EBITDA Multiple without adjustment
θ	=	Required adjustment in the difference in size and country risk
E	=	Market capitalization
EV	=	Enterprise value
EBITDA	=	Earnings before interest, taxes, depreciation and amortization
NOPAT	=	Net operating profit after tax

The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. The reciprocal of the base EV/EBITDA multiple represents a capitalization rate of the enterprise value.

The parameter θ was determined with reference to size premium differentials published in Kroll Cost of Capital Navigator 2025.

The E/EV ratio was adopted as a weighting factor because a pricing multiple is the reciprocal of the capitalization rate, which is driven by weighted average cost of capital (“WACC”) of the valuation subject. Since the size differentials “ θ ” apply only to equity, not debt, of the WACC, the Valuer only adjusted the equity portion of the capitalization rate. The E/EV ratio was used to apply an appropriate weighting on θ , adjusting the capitalization rate only for the equity portion. Thus, the E/EV ratio takes into account varying capital structures among comparable companies.

The ratio of EBITDA to NOPAT was used as a scale factor to adjust the EV/EBITDA multiple. NOPAT is considered the base measure of benefits for enterprise value (Hitchner, R., 2017), showing how well a company performed through its core operations net of taxes and while excluding tax savings from existing debt and one-time losses or charges.

After the aforesaid adjustment on the EV/EBITDA Multiple, the Adjusted EV/EBITDA multiples of the comparable companies are listed as below:

Company Name	Market Capitalization	EV/EBITDA Multiple	Required adjustment in the difference in size (θ)	Adjusted EV/EBITDA Multiple
NVC International Holdings Limited	HKD330 million	N/A	0.00%	N/A ⁽¹⁾
Shenzhen SNC Opto Electronic Co., Ltd.	RMB3,457 million	64.05	2.70%	N/A ⁽²⁾
Up-shine Lighting Co., Limited	RMB4,292 million	15.47	2.70%	8.35
Zhejiang Yankon Group Co., Ltd.	RMB4,499 million	9.93	2.70%	4.20
Hengdian Group Tospo Lighting Co., Ltd.	RMB6,028 million	12.28	3.01%	5.51
Shenzhen Sea Star Technology Co., Ltd.	RMB4,955 million	62.28	2.70%	16.27 ⁽³⁾
Average				8.59
Standard Deviation				4.69
Average (excluding outliers)				6.02

Note:

1. *Excluded due to negative EV;*
2. *Excluded due to negative NOPAT;*
3. *Statistical outliers, being outside of the range of average plus or minus one standard deviation, which are excluded in the calculation.*

Discount for Lack of Marketability (the “DLOM”)

The Valuer has assessed the DLOM of the Subject, being interest in a privately held company which are typically not readily marketable compared to similar interest in public companies, using a put option method. The concept is that when comparing a public share and a private share, the holder of a public share has the ability to sell the shares (i.e. a put option) to the stock market right away. As the time to a liquidity event shortens, the degree of the DLOM becomes smaller.

The Valuer adopted Finnerty Option Pricing Model with the following parameters to calculate the DLOM at 16.12%.

Parameter	Input	Remark	Source
Option Type	European Put	N/A	N/A
Spot Price	100%	Assumed	N/A
Exercise Price	100%	Assumed	N/A
Maturity Period	3 year	The proposed subscriber of the shares in the Target Company would be subject to a lock up period of 3 years	The Company
Volatility	42.65%	Based on historical 3-year volatility of comparable companies	Capital IQ

VALUATION RESULT

Under the guideline public company method, the market value of the Subject is estimated based on the financial information of the Target Company and the market multiples of the comparable companies derived from Capital IQ as at the Valuation Date. The Valuer has also taken into account the marketability discount. The calculation of the market value of the Subject as at the Valuation Date is as follows:

Parameter	Amount <i>(RMB'000)</i>
EBITDA of the Target Company for the year ended 31 December 2025	19,524
Average Adjusted EV/EBITDA Multiple of the Comparable Companies	<u>6.02</u>
Enterprise Value of the Target Company before DLOM as at the Valuation Date	117,588
Add: Cash and bank balances	152,769
Deduct: Interest-bearing borrowings	(91,000)
Deduct: Dividend payables	<u>(129,000)</u>
Equity Value of the Target Company before DLOM as at the Valuation Date	50,357
Deduct: Discount for lack of marketability (16.12%)	<u>(8,119)</u>
Equity Value of the Target Company after discount for lack of marketability as at the Valuation Date	<u>42,238</u>

Note:

- 1. Financial data extracted from unaudited financial statement of the Target Company as at 31 December 2025.*
- 2. The Valuer understands that the Company will retain control of the Target Company after the proposed transaction and as such, no control premium is considered in the Valuation.*

THE BOARD'S VIEW

The Board has reviewed the Valuation, including the valuation methodology, selection criteria of comparable companies, valuation multiple, adjustments, DLOM and principal assumptions, and considers that the valuation methodology and assumptions are fair and reasonable and provide a relevant reference for determining the Consideration.

THE VALUER

The Valuer confirmed that to the best of its knowledge and belief, it is independent of the Company and the Target Company, and has not contravened any independence requirements stipulated as per its professional memberships. Its fee is not contingent upon its conclusion of value. Mr. Simon M.K. Chan, executive director of the Valuer, is a fellow of the Hong Kong Institute of Certified Public Accountants, CPA Australia and the Royal Institution of Chartered Surveyors, an International Certified Valuation Specialist and a Chartered Valuer and Appraiser, with over 20 years of experience in accounting, auditing, corporate advisory and valuation.