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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in NVC International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Salon I - II, M/F, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on Thursday, 19 December 2024 is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use at the EGM (as defined herein) is enclosed with this circular. Whether or not you propose to attend the EGM, you are requested to complete the accompanying form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be) (for the EGM, i.e. not later than 10:30 a.m. on Tuesday, 17 December 2024). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.nvc-international.com>).

References to time and dates in this circular are to Hong Kong time and dates.

25 November 2024

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Account”	an investment advisory account established by Morgan Stanley Wealth Management on behalf of the Company
“Account Assets”	the assets in the Account, which include cash and fixed income products as may be contained in the Account from time to time
“Agreement”	the investment management agreement dated 24 October 2024 and entered into between the Manager and the Company in relation to the provision of the discretionary investment services by the Manager to the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Announcement”	the announcement of the Company dated 24 October 2024 in relation to, among others, the Agreement and the Proposed Investment
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under 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 which are listed on the Main Board of the Stock Exchange (stock code: 2222)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Salon I - II, M/F, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on Thursday, 19 December 2024 to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder (including the Proposed Investment)

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with (within the meaning of the Listing Rules) any director, chief executive or substantial shareholder of our Company or any of its subsidiaries or any of their respective associates
“Investment Advisers Act”	the U.S. Investment Advisers Act of 1940, as amended
“Latest Practicable Date”	21 November 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manager”	Parametric Portfolio Associates LLC, a company incorporated in the State of Delaware, the United States with limited liability and an investment advisor registered with the SEC under the Investment Advisers Act
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Morgan Stanley”	Morgan Stanley, a corporation organised under the laws of the State of Delaware, the United States, the ordinary shares of which are listed on the New York Stock Exchange under the ticker symbol “MS”
“Morgan Stanley Group”	Morgan Stanley Wealth Management and its subsidiaries and affiliates
“Morgan Stanley Wealth Management”	Morgan Stanley Smith Barney LLC, a corporation organised under the laws of the State of Delaware, the United States, and a wholly-owned subsidiary of Morgan Stanley

DEFINITIONS

“Proposed Investment”	the investment proposed to be made by the Company to the Account pursuant to the Agreement in the investment amount of not more than US\$50 million
“SEC”	the U.S. Securities and Exchange Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) having a par value of US\$0.000001 each of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “U.S.”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD



INTERNATIONAL

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)

Executive Directors:

WANG Donglei

CHAN Kim Yung, Eva

XIAO Yu

WANG Keven Dun

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Non-executive Director:

YE Yong

Principle Place of Business in Hong Kong:

Unit 705, 7/F., Building 20E

Phase 3, Hong Kong Science Park

Pak Shek Kok

New Territories

Hong Kong

Independent Non-executive Directors:

LEE Kong Wai, Conway

WANG Xuexian

CHEN Hong

Hong Kong, 25 November 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Agreement and the Proposed Investment.

This circular sets out, among others, (i) details of the Agreement and the transactions contemplated thereunder (including the Proposed Investment); (ii) a notice of the EGM; and (iii) additional information as required under the Listing Rules.

LETTER FROM THE BOARD

2. DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT

The principal terms of the Agreement and the transactions contemplated thereunder are as follows:

Date: 24 October 2024

Parties: (1) the Company; and

(2) the Manager

(together, the “**Parties**” and each a “**Party**”).

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Manager and its ultimate beneficial owners are Independent Third Parties.

Subject matter

The Company has agreed to appoint the Manager, and the Manager has agreed to accept such appointment, as the manager in relation to the provision of discretionary investment management services by the Manager to the Company with respect to the Account, pursuant to the terms and subject to the conditions of the Agreement.

Condition precedent

The Agreement and the transactions contemplated hereunder (including the Mandate (defined below) and the transfer of assets by the Company to the Account) shall be subject to and conditional upon compliance of the Listing Rules by the Company, including the approval of the Agreement and the transactions contemplated hereunder by the Shareholders (if applicable) in accordance with the Listing Rules (the “**Condition**”). The Condition may not be waived by any Party.

The Company shall notify the Manager in the event that the Listing Rules may impact the Manager from performing the services contemplated under the Agreement.

Management of the Account Assets

The Manager will have full power, authority and discretion to supervise, manage and direct the Account Assets. The Company and/or Morgan Stanley Wealth Management (acting upon the instructions of the Company) shall provide written instruction to the Manager specifying the specific investment strategy (the “**Strategy**”) the Account Assets shall be managed to, and such reasonable restrictions, customisations or other specific instructions applicable to the management of the Account Assets (the “**Mandate**”) and the Company may inform the Manager about any changes in the Mandate from time to time.

LETTER FROM THE BOARD

The Manager shall make its investment decisions consistent with such Mandate, but otherwise shall have the sole and exclusive authority and discretion to manage the Account Assets, including (i) to purchase, sell, invest, reinvest, exchange convert, trade in and otherwise deal with such Account Assets, and (ii) to place all orders for the purchase or sale of portfolio securities for the Account with or through brokers, dealers, banks or issuers selected by the Manager, as designated by the Company, or as required by Morgan Stanley Wealth Management.

Any discretionary transactions (including but not limited to purchase or disposal) with an amount greater than 5% of Account Assets should be communicated clearly with the Company in a manner that can be reasonably understood. The Manager will not invest in any securities issued by the Manager or its affiliates, including Morgan Stanley. In addition, the Manager will not execute any transactions with its affiliated broker-dealer nor will the Manager invest in its affiliated fund shares (e.g., an exchange traded fund advised by an affiliate) through which the Manager or its affiliate(s) will directly or indirectly receive additional compensation.

The Manager shall use its best efforts in managing the Account to attain the objectives of the Mandate, but there is no guaranteed return of the investment in the Account and the Manager does not guarantee or represent that any investment objectives will be achieved.

Investment policy and restrictions

Depending on the specific Strategy selected by the Company, the Manager may only invest in fixed income products, and permitted investments may comprise (i) direct obligations of the U.S. Government or a U.S. government agency, money market mutual funds, and/or (ii) corporate obligations (including commercial paper, asset-backed securities, floating rates notes, medium-term notes, master notes bonds and debentures).

The Manager shall not invest in (i) any variable rate obligations whose coupon rates adjust in a direction opposite to the direction of the index on which such adjustment is based; (ii) securities with a country of domicile that is not the United States; or (iii) any obligations denominated in a non-USD currency. At the time of purchase, no more than 15% of the Account Assets may be invested in the obligations of a single issuer, but there is no limit to the amounts which may be invested in direct obligations of the U.S. Government or a U.S. Government Agency, and money market funds. The minimum credit quality acceptable to the Company will be BBB (based on Standard and Poor's or Fitch) or Baa2 (based on Moody's).

LETTER FROM THE BOARD

Custody of Account Assets

The Manager does not act as custodian for the Account, or take or have possession of any assets of the Company. The Company shall select a qualified custodian (the “**Custodian**”) to hold the Account Assets, and the Manager may issue instructions to the Custodian as required or appropriate in carrying out the services to be provided under the Agreement. The Custodian will be responsible for the collection of income, dividends, and other distributions, and for other functions incidental to its role of custodian, including maintaining books and records of the Account. Morgan Stanley Wealth Management will act as the Custodian to hold the Account Assets.

Investment amount

Pursuant to the Agreement, the minimum account size is US\$1 million and account below such minimum amount will require Morgan Stanley’s approval. The Company may determine what assets will be transferred to or from the Account from time to time. In the event that the account size falls below US\$1 million, the Company will either seek Morgan Stanley’s approval or consider to terminate the Account and/or the Agreement.

The investment amount proposed to be made by the Company to the Account is not more than US\$50 million. The investment amount will be managed by the Manager with full discretionary power in accordance with the terms of the Agreement. Subject to the total investment amount to be made by the Company being not more than US\$50 million, in the event that the account size (taking into consideration the Account Assets and any returns received from the investments held under the Account) exceeds US\$50 million in aggregate, the Company may allow the balance of the Account to roll over, or make any withdrawal and/or reinvestment decisions with respect to the Account as the Board considers necessary or appropriate. If there is an increase in the investment amount to over US\$50 million, the Company will comply with the applicable requirements under the Listing Rules.

Based on the above arrangements, throughout the term of the Agreement, the Company may from time to time request to withdraw any or all of the investments from the Account, and subsequently transfer the investments back to, or deposit additional assets into, the Account as appropriate (subject to the Company’s proposed maximum investment amount set out above). Based on the arrangements with Morgan Stanley Wealth Management in respect of the opening of the Account, the Company may be required to provide up to six (6) business days prior verbal or written notice to of withdrawal of assets from the Account, which will be processed subject to the usual and customary securities settlement procedures.

LETTER FROM THE BOARD

Term and termination of the Agreement

The Agreement shall take effect from the date of approval of the Agreement by the Shareholders at the EGM until terminated by either Party. The Agreement may be terminated at any time upon written notice by the Company or upon thirty (30) days' written notice by the Manager. Upon any such termination, Morgan Stanley Wealth Management shall not be permitted to initiate any new transaction on behalf of the Account, unless specifically requested to do so by the Company, but shall nevertheless be entitled to settle or close out of any outstanding purchase, sale or other transaction executed on behalf of the Account prior to the date such termination became effective. If the Account is terminated, the Manager will provide a ratable refund of prepaid fees for the period from the date of termination through the end of the then-current quarter.

Management fee

Pursuant to the fee proposal provided by Morgan Stanley Wealth Management and the Agreement, based on the proposed investment amount of US\$50 million, the proposed advisory fees (the “**Fees**”) payable by the Company to Morgan Stanley Group in connection with the Agreement and transactions contemplated thereunder comprise the following:

- (a) a management fee (the “**MS Management Fee**”) of 0.5% per annum of the appraised value of the assets under management, payable to Morgan Stanley Wealth Management for the investment advisory services, overlay management and portfolio implementation, the execution of transactions and custody of account assets with/through Morgan Stanley Group and performance reporting. The MS Management Fee will be charged monthly in advance based on the Account's market value on the last business day of the previous billing month, and will be deducted from the assets contained in the Account when due; and
- (b) an annual advisory fee payable to the Manager (the “**Manager Advisory Fee**”) in the range of 0.07% to 0.32% of the total fair market value of the assets in the Account depending on the Strategy selected by the Company. The Manager Advisory Fee will be calculated and paid each calendar quarter in advance commencing on the funding date of the Account or on the date active management of the Account by the Manager starts (whichever is later), and will be deducted from the assets contained in the Account when due.

LETTER FROM THE BOARD

Based on the expected investment amount of US\$50 million (which is expected to be deposited by the Company into the Account shortly following the fulfillment of the Condition) and the Strategy proposed to be selected by the Company (being U.S. Corporate Ladder), the Manager Advisory Fee is expected to be 0.1%. The Fees may be subject to adjustment from time to time upon reasonable notice to the Company, with reference to the standard fee chargeable by Morgan Stanley Wealth Management generally to its corporate clients. In the event of any proposed adjustment of the Fees by Morgan Stanley Group, the Board will evaluate whether such adjustment is fair and reasonable and determine whether to continue to engage Morgan Stanley Group in providing the relevant services (or to exercise the Company's right to withdraw any or all of the investments from the Account).

The Fees does not include, among others, (i) other expenses charged by mutual funds and exchange traded funds (ETFs) in which the Account is invested (which are charged directly to the pool of assets which the fund invests and reflected in each fund's share price), (ii) underwriting fees where a member of Morgan Stanley Group is a member of an underwriting syndicate, and (iii) the costs of brokerage commissions, dealer spreads, trade-away fees and other costs associated with the purchase or sale of securities, custodian fees, interest, taxes, and other Account expenses, which will be borne by the Company.

The Fees were determined after arms-length negotiation among the Company, the Manager and Morgan Stanley Wealth Management, having considered the standard fee rates chargeable by Morgan Stanley Wealth Management to its corporate clients, the Strategy to be selected by the Company and the investment amount proposed to be made by the Company.

3. INFORMATION ON THE PARTIES

The Company

The Company is a leading supplier of lighting products in the international market. It designs, develops, produces, markets and sells a variety of lighting products, with a strong focus on energy-saving products, under the NVC brand and third-party brands. The Company and its subsidiaries are principally engaged in the manufacture and sales of lamps, luminaries, lighting electronic products and related products.

The Manager

The Manager is a company incorporated in the State of Delaware, the United States with limited liability and is part of the asset management division of Morgan Stanley.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries:

- (i) each of the Manager and Morgan Stanley Wealth Management (being the Custodian) is wholly-owned by Morgan Stanley, the ordinary stock of which is traded on the New York Stock Exchange under the ticker symbol "MS";
- (ii) the Manager is an investment advisor registered with the SEC under the Investment Advisers Act and is principally engaged in the provision of investment advisory services, and Morgan Stanley Wealth Management is a U.S. broker-dealer and futures commission merchant;
- (iii) the Manager and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company; and
- (iv) the Manager and Morgan Stanley Wealth Management operate as distinct legal entities; and there is segregation of duties between the Manager and Morgan Stanley Wealth Management, such that they do not intervene with one another when carrying out their duties.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Company believes that making reasonable and effective use of the Group's temporary idle cash, such as engaging in wealth management activities with low risk exposure, can enhance the Group's overall return on capital. Noting the anticipated interest rate reduction by the U.S. Federal Reserve in the latter half of 2024, the Company entered into the Agreement with the Manager with a view to better manage part of its cash resources for making investments in a portfolio of low-risk fixed income products. The Company is of the view that the investments made by the Manager will enable the Company to achieve principal purpose of capital preservation and to cautiously obtain capital appreciation over the presently unutilised funds.

Apart from appointing the Manager in relation to the provision of discretionary investment management services, the Company has also assessed various alternative wealth management products and investment options, including time deposits and capital stocks. However, the Company considers that time deposits are less favourable due to anticipated declines in interest rates and their relatively lower liquidity. Furthermore, capital stock is recognized as being more volatile and associated with higher risk, which does not align with the Company's investment objective of capital preservation. The Company also believes that appointing the Manager is a more advantageous option than directly investing in fixed income products, as the Manager will provide the Company with access to a wider array of fixed income products that are not readily available to the Company.

LETTER FROM THE BOARD

Based on information available to the Company, the Manager, being an investment adviser registered with the SEC, has been providing investment advisory services with over 30 years of experience since its formation in 1987 and is now a leading global asset management firm offering portfolio management services and investment strategies to both institutional and individual investors. As of 30 September 2024, the total assets under management (AUM) exceeded US\$572 billion, with fixed income AUM accounting for more than US\$171 billion. In addition, as of 31 December 2023, the annualized composite gross return in respect of the Manager's U.S. Corporate and Yankee BBB- Rated or higher 1-5 year laddered separately management account (SMA) composites for 1 year and 5 years was 5.61% and 2.20%, respectively; and their annualized composite net return for 1 year and 5 years was 4.05% and 0.69% respectively. Notwithstanding the foregoing, the Company notes that there are no directly comparable historical performance metrics for the Strategy to be implemented by the Company (details of which are set out in the section headed "2. Discretionary Investment Management Agreement – Investment policy and restrictions" above), as such Strategy will be customized to meet the Company's needs. Having considered the Manager's expertise, resources and experience in securities market, the Board is confident that the Manager will be able to provide quality professional investment management services and bring moderate returns to the Company.

The Company considers that it can still maintain its liquidity position notwithstanding the entering into of the Agreement and the transactions contemplated thereunder (including the Proposed Investment). The Company notes that (i) despite minimum account size of US\$1 million, the Group's unaudited cash and cash equivalents as at 30 June 2024 amounted to approximately US\$118.8 million; (ii) there is no minimum period of deposit for the funds; (iii) as the Agreement provides that the Company may determine what assets will be transferred to or from the Account from time to time, throughout the term of the Agreement, the Company will have the right to withdraw any or all of the investments from the Account and/or to subsequently transfer the investments back to, or deposit additional assets into, the Account (subject to the Company's proposed maximum investment amount); and (iv) the Company will also have the right to terminate the Agreement upon notice to the Manager. These features enable the Company to enhance returns by effectively using idle cash without negatively impacting the Group's working capital. Upon the appointment of the Manager becoming effective, the Board will regularly monitor the external market circumstances and the Group's liquidity needs and review the performance reports of the investments. The Board will also evaluate whether to exercise the Company's right to withdraw, reinvest and/or terminate any or all of the investments from the Account where necessary or appropriate.

Based on the above, the Directors (including all of the Independent Non-executive Directors) consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LETTER FROM THE BOARD

5. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Proposed Investment under the Agreement exceeds 25% but is less than 100%, the transactions contemplated under the Agreement constitute a major transaction for the Company which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

6. FINANCIAL EFFECTS OF THE PROPOSED INVESTMENT

It is expected that the Proposed Investment will be recorded as a financial instrument at fair value through profit or loss and classified as a current asset in the Group's consolidated statement of financial position. The Group intends to finance the Proposed Investment wholly by the internal resources available to the Group, and the Proposed Investment is not expected to result in material change to the total assets and liabilities of the Group immediately after the making of the Proposed Investment.

The income from the Proposed Investment and change in fair value will be recognised in profit or loss of the Group.

7. EGM

The EGM will be convened and held to consider and, if thought fit, to pass the ordinary resolution approving the Agreement and the transactions contemplated thereunder (including the Proposed Investment).

To the best of the knowledge, information and belief of the Directors, as at the Latest Practicable Date, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder (including the Proposed Investment). As such, no Shareholder is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder (including the Proposed Investment) at the EGM.

The notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular. The resolution set out in the notice of the EGM will be taken by a poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.nvc-international.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case maybe) (for the EGM, i.e. not later than 10:30 a.m. on Tuesday, 17 December 2024). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person if you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

8. CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 16 December 2024 to Thursday, 19 December 2024 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 13 December 2024. Shareholders whose names appear on the register of members of the Company on Thursday, 19 December 2024 will be entitled to attend and vote at the EGM.

9. RECOMMENDATION

Additional information of the Group set out in the Appendices I and II to this circular.

The Directors consider that the terms of the Agreement are on normal commercial terms, and the Agreement and the transactions contemplated thereunder (including the Proposed Investment) are fair and reasonable and in the interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

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

1. FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements, together with the accompanying notes to the financial statements of the Group for each of the financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.nvc-international.com>).

Annual report of the Company for the year ended 31 December 2021 (pages 169 to 352):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701517.pdf>

Annual report of the Company for the year ended 31 December 2022 (pages 177 to 344):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042702634.pdf>

Annual report of the Company for the year ended 31 December 2023 (pages 184 to 308):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401358.pdf>

Interim report of the Company for the six months ended 30 June 2024 (pages 39 to 66):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0913/2024091300517.pdf>

2. INDEBTEDNESS

As at the close of business on 30 September 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the Group had outstanding borrowings and debts, details of which are set out below:

Interest-bearing borrowings

US\$

Carrying amount of bank loans – secured and unguaranteed	<u><u>3,759,448</u></u>
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Lease liabilities

As at the close of business on 30 September 2024, the lease liabilities of approximately US\$3,924,944 were secured by rental deposits and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, none of the companies in the Group had any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or other similar indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other contingent liabilities at the close of business on 30 September 2024.

3. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful enquiry, are of the opinion that, taking into account of the present financial resources available to the Group, including internally generated funds and available credit facilities, and also the effect of the Agreement, and in absence of unforeseen circumstances, the Group will have sufficient working capital to satisfy its present requirements for a period of at least 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

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.

The international lighting business will remain the Group's core business. The innovative efforts of the research and development team enable the Group to expand its product portfolio in a rapid and cost-effective manner and remain competitive in the market. The Group aims to further improve the Group's sales performance in the future by leveraging on its strong sales channels and through the promotion of new products. 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.

In terms of the United States and Japanese markets, the competition has become more intense in the second half of 2024. To strengthen the localization of supply chain and improve the level of self-made capabilities, the Group will prepare to continue investing in rolling equipment and process improvements to lay a solid foundation for strategic product lines. The Group will continue to launch new products in the U.S. market to optimize its product portfolio based on customers' feedback and market trends, thereby ensuring the continued competitiveness of our key product lines. Moreover, the Group is committed to deepening the professional positioning of commercial products, providing customers with overall solutions for products and shelves and further exploring indoor and outdoor decorative lighting product lines of light decoration.

In terms of the UK and Nordic markets, the UK management expects that the UK's sale performance will improve in the second half of 2024. In the UK wholesale channel business, the strategy is to refocus the sales team on contractor activity, having filled a number of external sales vacancies in late 2023 and early 2024, and market to target vertical sectors, such as education. Additionally, the management's focus will be on driving sales and profitability in the UK lighting business, controlling the UK costs, and supporting the product developments for the Nordic operations.

For the Vietnamese market, the Group will continue to follow up on key projects by promoting the conversion rate of project reserves and facilitating the implementation of orders. For the Singapore market, the Group will continue to drive business growth through (i) following up on key projects by promoting the conversion rate of project reserves and facilitating implementation of orders; (ii) expanding new projects and new customer; and (iii) expanding the distribution and retail channels. For other overseas markets, the Group will continue to focus on key markets by promoting the conversion rate of projects and the implementation of orders. The Group will also prepare for future business growth by selectively expanding into some Southeast Asian markets and entering the local markets through projects and distribution channels.

In terms of products, the Group will continue to focus on key product lines and enrich product lines to maintain our gross profit, and will also follow up on newly launched product lines and enhance the implementation of potential new orders. In terms of product management, the Group will maintain the competitiveness of product performance and pricing to manage updates. In terms of operations, the Group will establish effective project sales-related demand forecasts and streamline the entire operational process to increase efficiency and control costs. In terms of branding, for the local markets of Singapore and Vietnam, the Group will complete the construction of showrooms and organize one-on-one communication with customers in the offices. For overseas markets, the Group will focus on participating in important exhibitions in some key countries as important platforms for the continued exposure of NVC Lighting products and brands.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

Director and chief executive's interests and short positions in Shares, underlying Shares or debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares

Name of Director	Nature of interests	Class of Shares	Number of Shares or underlying Shares	Approximate percentage of the total issued Shares (Note 1)
YE Yong	Beneficial owner	Ordinary Shares	27,403,900 (L)	5.40%
	Spouse's interest	Ordinary Shares	743,300 (L) (Note 2)	0.15%
WANG Keven Dun	Interest of corporation controlled by the director	Ordinary Shares	84,545,613 (L) (Note 3)	16.67%

Notes:

- The approximate percentage of the total issued Shares is calculated with reference to the Company's number of Shares in issue as at the Latest Practicable Date, i.e. 507,273,677 Shares.

2. As these Shares are held by Ms. GAO Xia, the spouse of Mr. YE Yong, Mr. YE Yong is deemed to be interested in these Shares.
3. These Shares were held by Canopy Capital Limited. As Canopy Capital Limited is indirectly wholly-owned by Mr. WANG Keven Dun, Mr. WANG Keven Dun is deemed to be interested in these Shares.
4. (L) represents long position.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were notifiable to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Interests and short positions of substantial Shareholders in the Shares and underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons or entities, other than a Director or chief executive of the Company, had an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Nature of interests	Class of Shares	Number of Shares or underlying Shares	Approximate percentage of the total issued Shares (Note 1)
Elec-Tech International (H.K.) Company Limited	Beneficial owner	Ordinary Shares	74,034,600 (L) (Note 2)	14.59%
ETIC	Interest of corporation controlled by the substantial shareholder	Ordinary Shares	74,034,600 (L) (Note 2)	14.59%
Rising Wealth Limited	Beneficial owner	Ordinary Shares	63,840,000 (L) (Note 3)	12.58%
ZHAO Yu	Interest of corporation controlled by the substantial shareholder	Ordinary Shares	63,840,000 (L) (Note 3)	12.58%

APPENDIX II

GENERAL INFORMATION

Name of shareholder	Nature of interests	Class of Shares	Number of Shares or underlying Shares	Approximate percentage of the total issued Shares (Note 1)
Harbour Faith Enterprises Limited	Beneficial owner	Ordinary Shares	41,491,100 (L) (Note 4)	8.18%
CHAN Sin Wa Carrie	Interest of corporation controlled by the substantial Shareholder	Ordinary Shares	41,491,100 (L) (Note 4)	8.18%
Canopy Capital Limited	Beneficial owner	Ordinary Shares	84,545,613 (L) (Note 5)	16.67%
Leap Gain Limited	Interest of corporation controlled by the substantial Shareholder	Ordinary Shares	84,545,613 (L) (Note 5)	16.67%
Oneworld Legend Limited	Interest of corporation controlled by the substantial Shareholder	Ordinary Shares	84,545,613 (L) (Note 5)	16.67%
Harker Hall Capital Ltd.	Interest of corporation controlled by the substantial Shareholder	Ordinary Shares	84,545,613 (L) (Note 5)	16.67%
SU Lixin	Beneficial owner	Ordinary Shares	64,935,064 (L) (Note 6)	12.80%
Gold Interact Investment Limited	Person having a security interest in shares	Ordinary Shares	64,935,064 (L) (Note 6)	12.80%

Notes:

1. The approximate percentage of the total issued Shares is calculated with reference to the Company's number of Shares in issue as at the Latest Practicable Date, i.e. 507,273,677 Shares.
2. These Shares were held by Elec-Tech International (H.K.) Company Limited. As Elec-Tech International (H.K.) Company Limited is a wholly-owned subsidiary of ETIC, ETIC is deemed to be interested in all these Shares.
3. These Shares were held by Rising Wealth Limited. As Rising Wealth Limited is wholly-owned by Ms. ZHAO Yu, Ms. ZHAO Yu is deemed to be interested in these Shares.

4. These Shares were held by Harbour Faith Enterprises Limited. As Harbour Faith Enterprises Limited is wholly-owned by Ms. CHAN Sin Wa Carrie, Ms. CHAN Sin Wa Carrie is deemed to be interested in these Shares.
5. These Shares were held by Canopy Capital Limited. Canopy Capital Limited is a wholly-owned subsidiary of Leap Gain Limited, which is in turn wholly owned by Oneworld Legend Limited. As Oneworld Legend Limited is wholly owned by Harker Hall Capital Ltd., which is in turn wholly owned by Mr. WANG Keven Dun, Mr. WANG Keven Dun is deemed to be interested in these Shares.
6. These Shares were held by Mr. SU Lixin. As Mr. SU Lixin as charger entered into a share charge with Gold Interact Investment Limited as chargee, pursuant to which 64,935,064 ordinary Shares were charged, Gold Interact Investment Limited is deemed to have a security interest in these Shares.
7. (L) represents long position.

Save as disclosed above, as at the Latest Practicable Date, as far as was known to the Directors and chief executive of the Company, the Company has not been notified by any persons (other than a Director and a chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

As of the Latest Practicable Date, save for Mr. WANG Keven Dun, an executive Director who also is a director of Harker Hall Capital Ltd., none of the Directors or any proposed Director of the Company was a director or an employee of a company which had, or was deemed to have, an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors nor their respective close associates had any direct or indirect interests in any businesses that constitutes or may constitute a competing business of the Company.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had entered into any service contract or letter of appointment with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS OF THE GROUP

As at the Latest Practicable Date, save for the Proposed Investment:

- (a) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and
- (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and, insofar as the Directors were aware, no litigation or claims of material importance was pending or threatened against any member of the Group.

7. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Company since 31 December 2023, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

Save as disclosed below, no other material contracts (not being contracts entered into in the ordinary course of business of the Company) have been entered into by members of the Group within two (2) years immediately preceding the date of this circular:

- (a) the subscription agreement dated 9 July 2023 entered into between the Company and Canopy Capital Limited, pursuant to which Canopy Capital Limited conditionally agreed to subscribe and the Company conditionally agreed to allocate and issue a total of 845,456,130 ordinary shares of US\$0.0000001 each in the share capital of the Company (before the share consolidation becomes effective) at the subscription price of HK\$0.083 per share, with net proceeds amounting to approximately HK\$69.7 million (equivalent to US\$8.9 million);

- (b) a share purchase agreement dated 7 March 2024 entered into among NVC Lighting Limited (a wholly-owned subsidiary of the Company, as purchaser), Shining Beauty AB and Opeco AB (as vendors) in relation to the acquisition of 20,000 shares, representing 40% of the entire issued share capital of NVC Lighting AB, for an initial consideration of SEK6,000,000 (equivalent to approximately US\$582,000), and subject to a maximum total consideration of SEK100 million (equivalent to approximately US\$9.7 million);
- (c) a sale and purchase agreement dated 12 June 2024 entered into between Thurmon Tanner Logistics II Owner LLC (as seller) and ETI Solid State Lighting Inc. (a wholly-owned subsidiary of the Company, as purchaser) in relation to the acquisition of certain property located at Land Lots 97 and 113, 8th Land District, City of Flowery Branch, Hall County, Georgia, the United States, at the consideration of US\$15,250,000; and
- (d) the Agreement.

9. DOCUMENTS ON DISPLAY

A copy of the Agreement will be available on display online on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.nvc-international.com>) from the date of this circular up to and including the date of the EGM (being not less than 14 days).

10. GENERAL INFORMATION

- (a) The company secretary of the Company is Ms. KWOK Siu Ying Sarah, an associate member of The Hong Kong Chartered Governance Institute and an associate member of The Chartered Governance Institute in the UK.
- (b) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands.
- (c) The head office and principal place of business in Hong Kong of the Company is Unit 705, 7/F., Building 20E, Phase 3, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.
- (d) The principal share registrar and transfer office in the Cayman Islands of the Company is Suntera (Cayman) Limited, Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1100, Cayman Islands.
- (e) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

NOTICE OF EXTRAORDINARY GENERAL MEETING



INTERNATIONAL

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of NVC International Holdings Limited (the “**Company**”) will be held at Salon I - II, M/F, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong at 10:30 a.m. on Thursday, 19 December 2024 for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company, with or without modifications. Unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 25 November 2024 (the “**Circular**”).

ORDINARY RESOLUTION

To consider and pass the following resolution as ordinary resolution of the Company, with or without modifications:

“THAT

- (a) the agreement (the “**Agreement**”) entered into between the Company and Parametric Portfolio Associates LLC (the “**Manager**”) dated 24 October 2024 and the transactions contemplated thereunder (including the Proposed Investment (as defined in the Circular)) be and are hereby approved, confirmed and ratified; and
- (b) the board of directors of the Company (the “**Board**”) be and is hereby authorised to do all such acts and things and sign all such documents and to take such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Proposed Investment, the Agreement and the transactions contemplated thereunder (including without limitation, approving or effecting any transfer of assets/investments to or from the account from time to time as appropriate, approving and/or effecting any changes in the Strategy (as defined in the Circular) and/or the Mandate (as defined in the Circular) from time to time as appropriate, exercising any right of the Company under or in connection with the Agreement to withdraw, reinvest and/or terminate any or all of the assets/investments from the Account, and otherwise providing written instructions to the Manager and/or the Custodian (as defined in the Circular) in relation to the Account, the Account Assets and/or the Agreement), and to agree to such variation (including without limitation, any adjustment to fees payable to the

NOTICE OF EXTRAORDINARY GENERAL MEETING

Manager, Morgan Stanley and/or their affiliates from time to time), amendment or waiver from time to time in connection with the Proposed Investment, the Agreement and the transactions contemplated thereunder as are, in the opinion of the Board, in the interests of the Company and its shareholders as a whole.”

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

Hong Kong, 25 November 2024

Notes:

1. All resolutions at the EGM (except those relate to the procedural or administrative matters, which should be taken by a show of hands as the chairman of the EGM may decide, in good faith) will be taken by a poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy (or more than one proxy if he/she is the holder of two or more shares) to attend and, on a poll, vote on his/her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be lodged with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case maybe) (for the EGM, i.e. not later than 10:30 a.m. on Tuesday, 17 December 2024). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 16 December 2024 to Thursday, 19 December 2024 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 13 December 2024.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. If any shareholder of the Company chooses not to attend the EGM in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the Company's principal place of business in Hong Kong at Unit 705, 7/F., Building 20E, Phase 3, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong or fax at (852) 2865 1638. If any shareholder of the Company has any question relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Website: www.computershare.com/hk/contact
Tel: (852) 2862 8555
Fax: (852) 2865 0990

6. In case Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or "extreme conditions caused by a super typhoon" announced by the government is/are in force in Hong Kong at or at any time after 8:00 a.m. on the date of the EGM, the EGM will be adjourned. The Company will post an announcement on its website (<http://www.nvc-international.com>) and the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) to notify shareholders of the Company of the date, time and place of the adjourned meeting.
7. References to time and dates in this notice are to Hong Kong time and dates.