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**NVC 雷士照明**  
**NVC LIGHTING HOLDING LIMITED**  
**雷士照明控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2222)**

**ANNOUNCEMENT**

Reference is made to the annual report of NVC Lighting Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2018 (the “**Annual Report**”). Unless otherwise stated, terms used herein shall bear the same meaning as those defined in the Annual Report.

As disclosed in the Annual Report, the auditors of the Company (the “**Auditors**”) have issued a qualified opinion (the “**Qualified Opinion**”) on the Group’s consolidated financial statements for the year ended 31 December 2018, which was mainly due to the effect of audit scope limitations on (i) the consolidated statement of profit or loss for 2018 arising from the audit scope limitations on the audit of 2017 consolidated financial statements; and (ii) the comparability of the related 2017 figures and 2018 figures in the consolidated financial statements for the year ended 31 December 2018 arising from the audit scope limitations on the audit of 2017 consolidated financial statements, in connection with several alleged guarantees purportedly provided by the Group. Please refer to the sections headed “Management’s position and accounting treatment” and “Basis for Qualified Opinion” of the Annual Report for more details.

**Management’s position and accounting treatment**

Further to the information disclosed in the Annual Report, the management of the Company (the “**Management**”) wishes to clarify its position and accounting treatment in connection with the Qualified Opinion as follows:

- (i) As disclosed in announcement dated 1 March 2019 of the Company, the Company, with reference to a variety of factors and considerations, has decided to make full provisions in relation to respective receivables and the principals and related interests underlying the litigations in connection with the Qualified Opinion. After discussion with the Auditors, the Management understood that there were uncertainties on the appropriateness on the provision amounts made by the Group as at 31 December 2017 due to inability to obtain sufficient audit evidence, and there was no audit qualification in relation to the provision amounts as at 31 December 2018. As such, there are uncertainties on changes of provision amounts recognised in the Group’s consolidated statement of profit or loss for the year of 2018. Therefore, due to uncertainties relating to certain provisions in relation to respective receivables and the principals and related interests in the Group’s consolidated statement of profit or loss for the year of 2018 arising from the audit scope limitations on the audit of 2017 consolidated financial statements; and the comparability of the related 2017 figures and 2018 figures in the

consolidated financial statements for the year ended 31 December 2018 arising from the audit scope limitations on the audit of 2017 consolidated financial statements, the Auditors have issued the Qualified Opinion.

- (ii) After discussion with the Auditors, the Management understood that as the Group's financial information of the corresponding period (namely the year of 2018) will be required to be disclosed as comparative figures in the consolidated financial statements of the Group for the year of 2019, due to uncertainties to certain provisions in relation to respective receivables and the principals and related interests in the Group's consolidated statement of profit or loss for the year of 2018, the Auditors may issue qualified opinion on the Group's consolidated financial statements for the year of 2019 on the comparability of the related 2018 figures and 2019 figures in the consolidated financial statements for the year of 2019 arising from the audit scope limitations on the audit of 2018 consolidated financial statements.
- (iii) After discussion with the Auditors, the Management is of the view that, if the circumstance remains unchanged and relevant provisions are made appropriately (including appropriate provisions to be made for interests and any other costs if so incurred), the qualified opinion in the independent auditor's report will be removed in respect of the Group's financial statements for the year of 2020, as such financial information will not be subject to the effect of audit scope limitations as mentioned above.

#### **Views of audit committee**

The audit committee of the Company confirmed that it had reviewed and agreed with the management's position and the Company's accounting treatment as set out above.

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

Hong Kong, 23 May 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 Director:*

YE Yong

*Independent Non-executive Directors:*

LEE Kong Wai, Conway  
WANG Xuexian  
WEI Hongxiong  
SU Ling