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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2023:

- The Group's revenue amounted to US$235,978,000, representing a decrease of 15.6% as compared with the Corresponding Period.
- The Group's gross profit amounted to US$67,318,000, representing a increase of 5.4% as compared with the Corresponding Period.
- The Group's profit for the year amounted to US$37,650,000, as compared with the loss for the year amounted to US$5,547,000 in the Corresponding Period.
- Profit attributable to owners of the Company amounted to US$35,713,000, as compared with the loss attributable to owners of the Company amounted to US$9,785,000 in the Corresponding Period.
- Basic earnings per share attributable to owners of the Company amounted to US$7.79 cents (basic loss per share in the Corresponding Period: US$2.31 cents).
- The Board has proposed not to declare final dividend (2022: no final dividend declared).

The Board announces the annual results of the Group for the Reporting Period. The annual results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTES	2023 US$'000	2022 US$'000 (Restated)
Revenue	2	**235,978**	279,468
Cost of sales		**(168,660)**	(215,618)
GROSS PROFIT		**67,318**	63,850
Other income	4	**6,605**	7,280
Other gains and losses	5	**2,253**	(6,022)
Selling and distribution expenses		**(34,851)**	(39,985)
Administrative expenses		**(36,572)**	(33,444)
Reversal of impairment losses (impairment losses) in respect of interests in associates		**24,229**	(7,421)
Impairment losses under expected credit loss model, net of reversal		**350**	22
Other expenses	6	**(5,184)**	(6,394)
Finance costs	7	**(875)**	(2,463)
Share of results of associates		**17,163**	21,152
PROFIT (LOSS) BEFORE TAX		**40,436**	(3,425)
Income tax expense	8	**(2,786)**	(2,122)
PROFIT (LOSS) FOR THE YEAR	9	**37,650**	(5,547)
Profit (loss) for the year attributable to owners of the Company		**35,713**	(9,785)
Profit for the year attributable to non-controlling interests		**1,937**	4,238
		37,650	(5,547)

		2023	2022
EARNINGS (LOSS) PER SHARE			
Basic *(US$ cents)*	10	**7.79**	(2.31)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	US$'000	*US$'000*
		(Restated)
PROFIT (LOSS) FOR THE YEAR	**37,650**	(5,547)
OTHER COMPREHENSIVE EXPENSE		
Items that will not be reclassified to profit or loss:		
– Fair value loss on investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**"), net of related income tax	**(160)**	(44)
	(160)	(44)
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences arising on translation of foreign operations	**(12,647)**	(31,791)
– Share of other comprehensive expense of associates, net of related income tax	**(2,080)**	(6,369)
	(14,727)	(38,160)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	**(14,887)**	(38,204)
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR	**22,763**	(43,751)
Total comprehensive income (expense) attributable to:		
– Owners of the Company	**20,334**	(46,658)
– Non-controlling interests	**2,429**	2,907
	22,763	(43,751)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	NOTES	**31 December 2023** **US$'000**	31 December 2022 *US$'000* (Restated)	1 January 2022 *US$'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**50,195**	53,045	54,204
Right-of-use assets		**24,627**	25,476	30,570
Investment properties		**1,540**	1,807	1,221
Goodwill		**29,845**	30,351	33,155
Other intangible assets		**42,481**	46,990	53,780
Interests in associates		**156,478**	119,205	93,710
Equity instruments at FVTOCI		**1,919**	2,080	2,319
Financial assets at fair value through profit or loss ("**FVTPL**")		–	–	83
Deferred tax assets		**1,518**	1,345	1,575
Deposits		**41,993**	42,646	46,581
		350,596	322,945	317,198
CURRENT ASSETS				
Inventories	*12*	**45,236**	64,305	97,878
Trade and bills receivables	*13*	**49,464**	45,853	78,486
Other receivables, deposits and prepayments		**13,437**	12,346	17,815
Tax recoverable		**–**	622	2,177
Financial assets at FVTPL		**3,939**	4,327	6,368
Pledged bank deposits		**–**	53,567	13,061
Fixed deposits with maturity of more than three months		**21,158**	–	–
Cash and cash equivalents		**108,273**	85,057	148,732
		241,507	266,077	364,517
CURRENT LIABILITIES				
Trade payables	*14*	**39,445**	32,792	95,648
Other payables and accruals		**29,501**	24,790	39,886
Contract liabilities		**5,516**	5,601	5,365
Borrowings	*15*	**1,699**	39,034	6,279
Deferred income		**142**	145	158
Lease liabilities		**1,793**	1,547	2,335
Financial liabilities at FVTPL		**–**	1,068	–
Tax liabilities		**1,082**	1,663	2,500
		79,178	106,640	152,171
NET CURRENT ASSETS		**162,329**	159,437	212,346
TOTAL ASSETS LESS CURRENT LIABILITIES		**512,925**	482,382	529,544

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AT 31 DECEMBER 2023

	NOTES	**31 December 2023 US$'000**	31 December 2022 US$'000 (Restated)	1 January 2022 US$'000 (Restated)
NON-CURRENT LIABILITIES				
Deferred income		**221**	225	260
Lease liabilities		**3,438**	3,105	4,761
Deferred tax liabilities		**6,665**	7,644	9,364
		10,324	10,974	14,385
NET ASSETS		**502,601**	471,408	515,159
CAPITAL AND RESERVES				
Share capital		**1**	–*	–*
Reserves		**483,770**	454,492	501,150
Equity attributable to owners of the Company		**483,771**	454,492	501,150
Non-controlling interests		**18,830**	16,916	14,009
TOTAL EQUITY		**502,601**	471,408	515,159

* *Less than US$1,000*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1.1 GENERAL INFORMATION

NVC International Holdings Limited (the "Company") is a public limited company incorporated in the territory of the British Virgin Islands (the "BVI") as a limited liability company on 2 March 2006 and was redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Its substantial shareholder is Elec-Tech International Co. Ltd., with its shares listed on the Shenzhen Stock Exchange in the People's Republic of China (the "PRC"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the manufacture and sale of lamps, luminaries, lighting electronic products and related products.

The functional currency of the Company is United States dollars ("US$"), and the consolidated financial statements are presented in US$ and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards")

Amendments to IFRS Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Standards issued by the International Accounting Standards Board (the "IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

Except for the following amendment to IFRS, the application of other amendments to IFRS Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1.2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") (Continued)

Amendments to IFRS Standards that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance.

1.2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") (Continued)

New and amendments to IFRS Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to IAS 1	Non-current Liabilities with Covenants[2]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements[2]
Amendments to IAS 21	Lack of Exchangeability[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2024.

[3] Effective for annual periods beginning on or after 1 January 2025.

Except for the amendments to IFRS Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

1.2 APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") (Continued)

New and amendments to IFRS Standards in issue but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 December 2023, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

2. REVENUE

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December 2023			
Segments	**International NVC brand**	**Domestic non-NVC brand**	**International non-NVC brand**	**Total**
	US$'000	***US$'000***	***US$'000***	***US$'000***
Sales to external customers	**36,839**	**14,041**	**185,098**	**235,978**
Geographical markets				
United States	**–**	**–**	**132,372**	**132,372**
Japan	**7**	**–**	**39,926**	**39,933**
The PRC	**–**	**14,041**	**–**	**14,041**
Netherland	**–**	**–**	**4,582**	**4,582**
United Kingdom	**24,235**	**–**	**1,074**	**25,309**
Other countries	**12,597**	**–**	**7,144**	**19,741**
Total	**36,839**	**14,041**	**185,098**	**235,978**
Timing of revenue recognition				
A point in time	**36,839**	**14,041**	**185,098**	**235,978**

	For the year ended 31 December 2022			
Segments	International NVC brand	Domestic non-NVC brand	International non-NVC brand	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
	(Restated)	(Restated)	(Restated)	(Restated)
Sales to external customers	43,097	17,492	218,879	279,468
Geographical markets				
United States	–	–	169,745	169,745
Japan	11	–	35,171	35,182
The PRC	–	17,492	–	17,492
Netherland	–	–	8,734	8,734
United Kingdom	22,644	–	929	23,573
Other countries	20,442	–	4,300	24,742
Total	43,097	17,492	218,879	279,468
Timing of revenue recognition				
A point in time	43,097	17,492	218,879	279,468

2. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

The Group sells lighting products to the retailers over the world.

Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the specific location (delivery). Following the delivery, the customers have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

Under the Group's standard contract terms, customers have a right to exchange for defective products within 30 days. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods and a corresponding adjustment to cost of sales.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All goods provided by the Group are for contracts with original expected duration of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

3. OPERATING SEGMENTS

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

Specifically, the Group's reportable segments under IFRS 8 Operating Segments are as follows:

- International NVC brand – sales of NVC branded lighting products outside the PRC
- Domestic non-NVC brand – domestic sales of non-NVC branded lighting products in the PRC
- International non-NVC brand – sales of non-NVC branded lighting products outside the PRC

3. OPERATING SEGMENTS (Continued)

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

For the year ended 31 December 2023

	International NVC brand	Domestic non-NVC brand	International non-NVC brand	Consolidated
	US$'000	***US$'000***	***US$'000***	***US$'000***
Segment revenue:				
Sales to external customers	**36,839**	**14,041**	**185,098**	**235,978**
Segment results	**12,688**	**1,719**	**52,911**	**67,318**
Reconciliation				
Other income				**6,605**
Other gains and losses				**2,253**
Unallocated expenses				**(76,607)**
Reversal of impairment losses in respect of interests in an associate				**24,229**
Impairment losses under expected credit loss model, net of reversal				**350**
Finance costs				**(875)**
Share of results of associates				**17,163**
Profit before tax				**40,436**

3. OPERATING SEGMENTS (Continued)

For the year ended 31 December 2022

	International NVC brand *US$'000* (Restated)	Domestic non-NVC brand *US$'000* (Restated)	International non-NVC brand *US$'000* (Restated)	Consolidated *US$'000* (Restated)
Segment revenue:				
Sales to external customers	43,097	17,492	218,879	279,468
Segment results	13,712	1,953	48,185	63,850
Reconciliation				
Other income				7,280
Other gains and losses				(6,022)
Unallocated expenses				(79,823)
Impairment losses in respect of interests in associates				(7,421)
Impairment losses under expected credit loss model, net of reversal				22
Finance costs				(2,463)
Share of results of associates				21,152
Loss before tax				(3,425)

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

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

3. OPERATING SEGMENTS (Continued)

For the year ended 31 December 2023

	International NVC brand *US$'000*	Domestic non-NVC brand *US$'000*	International non-NVC brand *US$'000*	Total reportable segments *US$'000*	Others *US$'000*	Consolidated *US$'000*
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure*	976	150	5,796	6,922	2	6,924
Right-of-use assets	985	1	607	1,593	576	2,169
Write-down of inventories	(408)	(139)	1,875	1,328	12	1,340
Depreciation and amortisation	1,120	1,569	12,078	14,767	308	15,075
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:						
Impairment losses recognised (reversed) on trade receivables and other receivables, net	(256)	–	(94)	(350)	–	(350)
Reversal of impairment losses in respect of interests in associates	(24,229)	–	–	(24,229)	–	(24,229)

3. OPERATING SEGMENTS (Continued)

For the year ended 31 December 2022

	International NVC brand *US$'000* (Restated)	Domestic non-NVC brand *US$'000* (Restated)	International non-NVC brand *US$'000* (Restated)	Total reportable segments *US$'000* (Restated)	Others *US$'000* (Restated)	Consolidated *US$'000* (Restated)
Amounts included in the measure of segment profit or loss or segment assets:						
Capital expenditure*	382	711	14,659	15,752	34	15,786
Right-of-use assets	–	4	119	123	–	123
Write-down of inventories	434	297	2,992	3,723	–	3,723
Depreciation and amortisation	935	1,653	12,809	15,397	385	15,782
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:						
Impairment losses recognised (reversed) on trade receivables and other receivables, net	236	(8)	(250)	(22)	–	(22)
Impairment losses in respect of interests in associates	7,421	–	–	7,421	–	7,421
Impairment loss in respect of property, plant and equipment	–	–	149	149	–	149

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

3. OPERATING SEGMENTS (Continued)

Geographical information

The Group's operations are located in the PRC and other countries.

Information about the Group's revenue from external customers is presented based on the location of the customers' operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers Year ended		Non-current assets	
	31/12/2023	31/12/2022	**31/12/2023**	31/12/2022
	US$'000	*US$'000*	***US$'000***	*US$'000*
		(Restated)		(Restated)
United States	**132,372**	169,745	**676**	1,139
Japan	**39,933**	35,182	**2,201**	2,506
The PRC	**14,041**	17,492	**306,081**	296,038
Netherland	**4,582**	8,734	**–**	–
United Kingdom	**25,309**	23,573	**7,897**	7,131
Other countries	**19,741**	24,742	**30,304**	12,706
	235,978	279,468	**347,159**	319,520

Note: Non-current assets excluded equity instruments at FVTOCI and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2023	2022
	US$'000	*US$'000*
		(Restated)
Customer A[1]	**65,305**	94,060
Customer B[1]	**55,253**	72,378
Customer C[1]	**39,933**	35,182

[1] Revenue from International Non-NVC brand segment.

4. OTHER INCOME

	2023	2022
	US$'000	*US$'000*
		(Restated)
Government grants and other subsidies	**987**	1,899
Bank interest income	**1,432**	1,900
Other interest income	**–**	95
Surcharges from suppliers	**15**	199
Rental income – lease payments that are fixed	**1,550**	244
Consultancy service income	**1,063**	1,076
Trademark licensing fee	**1,525**	1,499
Others	**33**	368
	6,605	7,280

5. OTHER GAINS AND LOSSES

	2023	2022
	US$'000	*US$'000*
		(Restated)
Net foreign exchange gains (losses)	**3,469**	(3,197)
Losses on fair value changes of held-for-trading investments	**(668)**	(2,434)
Impairment loss recognised in respect of property, plant and equipment	**–**	(149)
(Loss) gain on disposal of property, plant and equipment	**(385)**	32
Loss on disposal of other intangible assets	**–**	(46)
Others	**(163)**	(228)
	2,253	(6,022)

6. OTHER EXPENSES

	2023	2022
	US$'000	*US$'000*
		(Restated)
Research and development costs	**5,184**	6,394

7. FINANCE COSTS

	2023	2022
	US$'000	*US$'000*
		(Restated)
Interest on vendor financing	**283**	623
Interest on lease liabilities	**320**	423
Interest on borrowings	**272**	1,417
	875	2,463

8. INCOME TAX EXPENSE

	2023	2022
	US$'000	*US$'000*
		(Restated)
Current tax:		
Hong Kong	**1,443**	1,288
PRC Enterprise Income Tax	**364**	919
Other countries	**1,489**	479
	3,296	2,686
Underprovision in prior years:		
Hong Kong	**78**	61
PRC Enterprise Income Tax	**(45)**	180
Other countries	**47**	52
	80	293
Deferred tax	**(590)**	(857)
Total	**2,786**	2,122

8. INCOME TAX EXPENSE (Continued)

Under the two-tiered profits tax rates regime, the first Hong Kong dollars ("HK$") 2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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

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

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

9. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging (credited):

	2023	2022
	US$'000	*US$'000*
		(Restated)
Auditor's remuneration	**688**	697
Cost of inventories recognised as expense	**167,320**	211,895
Amortisation of other intangible assets (included in "selling and distribution expenses")	**6,457**	7,124
Depreciation		
– Property, plant and equipment	**5,675**	5,626
– Investment properties	**237**	49
– Right-of-use-assets	**2,706**	2,983
Total amortisation and depreciation	**15,075**	15,782
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	**40,743**	38,827
Pension scheme contributions	**3,062**	3,618
Other welfare expenses	**1,076**	1,383
Total staff costs	**44,881**	43,828
Research and development costs (included in "other expenses")	**5,184**	6,394
Write-down of inventories (included in "cost of sales")	**1,340**	3,723

10. EARNINGS (LOSS) PER SHARE

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

Earnings (loss) figures are calculated as follows:

	2023	2022
	US$'000	*US$'000*
		(Restated)
Profit (loss) for the purpose of basic earnings (loss) per share	**35,713**	(9,785)

	2023	2022
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**458,168**	422,728

No diluted earnings (loss) per share for both 2023 and 2022 were presented as there were no potential ordinary shares in issue for both 2023 and 2022.

The weighted average number of ordinary shares of 458,168,000 (2022: 422,728,000 (Restated)) in issue during the year, is adjusted to reflect the effect of the share consolidation. Comparative figures have also been adjusted on the assumption that the share consolidation had been effective in the prior year.

11. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2023 and 31 December 2022, nor has any dividend been proposed since the end of the reporting period.

12. INVENTORIES

	2023	2022
	US$'000	*US$'000*
		(Restated)
Raw materials and consumables	**8,422**	11,549
Work in progress	**3,059**	3,266
Finished goods	**33,755**	49,490
	45,236	64,305

During the current year, management of the Group considered the market performance and the expected net realisable value of the inventories. As a result, the Group has written down inventories, net of reversal, of US$1,340,000 (2022: US$3,723,000) to their net realisable values and included in "Cost of sales".

13. TRADE AND BILLS RECEIVABLES

	2023	2022
	US$'000	*US$'000*
		(Restated)
Trade receivables	**50,787**	46,892
Less: Allowance for credit losses	**(1,569)**	(1,663)
	49,218	45,229
Bills receivables	**246**	624
	49,464	45,853

As at 1 January 2022, trade receivables from contracts with customer amounted to US$77,628,000 (restated).

The credit period on sales of goods is ranging from 0 to 120 days.

Included in the Group's trade receivables are amounts due from related parties of US$166,000 (2022: US$179,000) which are repayable on similar credit terms to those offered to the major customers of the Group.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the transaction date, and an analysis of bills receivables by age, net of allowance for credit losses, presented based on the bills issuance date at the end of the reporting period.

13. TRADE AND BILLS RECEIVABLES (Continued)

	2023	2022
	US$'000	*US$'000*
		(Restated)
Trade receivables		
Within 3 months	**42,658**	38,173
4 to 6 months	**5,501**	6,673
7 to 12 months	**435**	184
1 to 2 years	**134**	75
Over 2 years	**490**	124
	49,218	45,229
Bill receivables		
Within 3 months	**232**	379
4 to 6 months	**14**	245
	246	624

As at 31 December 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of US$3,624,000 (2022: US$7,790,000) which are past due as at the reporting date. Out of the past due balances, US$1,837,000 (2022: US$1,443,000) has been past due 90 days or more and is not considered as in default based on repayment records of those customers and continuous business with the Group.

As at 31 December 2023, total bills received amounted to US$246,000 (2022: US$624,000) are held by the Group for future settlement of trade receivables. All bills received by the Group are with a maturity period of less than six months. Other than bills receivables, the Group does not hold any collateral over these balances.

Trade receivables amounted to US$7,591,000 (2022: US$8,247,000) have been pledged as security for the Group's borrowings (Note 16).

14. TRADE PAYABLES

	2023	2022
	US$'000	*US$'000*
		(Restated)
Trade payables due to third parties	**35,280**	27,682
Trade payables due to related parties	**1,083**	1,580
Trade payables due to third parties under supplier finance arrangement *(Note)*	**3,082**	3,530
	39,445	32,792

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers and related parties for future settlement trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers and related parties without further extension. In the consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

	2023	2022
	US$'000	*US$'000*
		(Restated)
Trade payables due to related parties		
– Subsidiaries of the entity with significant influence over the Company	**1,080**	1,145
– Associates	**3**	435
	1,083	1,580

14. TRADE PAYABLES (Continued)

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

	2023	2022
	US$'000	*US$'000*
		(Restated)
Within 3 months	**34,616**	26,880
4 to 6 months	**776**	1,243
7 to 12 months	**200**	713
1 to 2 years	**562**	242
Over 2 years	**209**	184
	36,363	29,262

The followings is an aged analysis of trade payables under supplier finance arrangement presented based on the bills issuance date.

	2023	2022
	US$'000	*US$'000*
		(Restated)
Within 3 months	**1,403**	1,500
4 to 6 months	**1,679**	2,030
	3,082	3,530

The average credit period on purchase of goods is 30 to 180 days (2022: 30 to 180 days).

15. BORROWINGS

	2023	2022
	US$'000	*US$'000*
		(Restated)
Secured bank loans that are repayable within one year or contain a repayment on demand clause (shown under current liabilities)	**1,699**	39,034

Borrowings comprise:

	Maturity date	Contractual interest rate	Carrying amount 2023	2022
			US$'000	*US$'000*
				(Restated)
Secured bank loans *(Note a)*	on demand (2022: on demand)	Base*+1.90% p.a. (2022: Base*+1.90% p.a.)	**1,699**	4,637
Secured bank loans *(Note b)*	February 2023	N/A (2022: 1% p.a.)	**–**	34,397
			1,699	39,034

Note a: The secured bank loans represented facilities secured by the pledge of certain trade receivables (Note 13). The loan is repayable upon the collection of the factored trade receivables.

Note b: The secured bank loans represented facilities secured by the pledged bank deposits. The loan was fully repaid in February 2023.

* "Base" refers to the Bank of England base rate.

16. PLEDGE OF ASSETS

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

	2023	2022
	US$'000	*US$'000*
		(Restated)
Trade receivables	**7,591**	8,247
Pledged bank deposits	**–**	53,567
	7,591	61,814

17. CONTINGENT LIABILITY

During the years ended 31 December 2023 and 2022, a subsidiary of the Group was involved in a legal dispute concerning patent infringement, arising in the normal course of business. At the end of the reporting period and up to the date on which these consolidated financial statements are authorised for issue, the directors of the Company are of the opinion, taking into account of the advice from the Group's external legal counsel, that this legal dispute is still in a preliminary stage and the expected outcome is uncertain. Therefore it is not practicable for the directors of the Company to estimate reliably the amount of the obligation that may arise from this dispute, and the timing and any potential impact on the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND PERFORMANCE REVIEW

In 2023, in the face of the global economic slowdown, coupled with the Russian-Ukrainian war and the high inflation index, the market economy environment was constantly changing, and all the industries were facing major challenges in their operation. Major banks and financial institutions had lowered their GDP growth forecasts for various countries one after another, resulting in a sharp drop in their confidence in economic growth this year. The global economy growth was expected to slow to 2.7% in 2023 according to the latest World Economic Outlook published by the International Monetary Fund.

With the continued downturn in the economic environment, the demand in the consumer market has declined as a whole, and the competitive pressure in the terminal market has further increased. It is of particular importance to reduce product costs to enhance the competitiveness of the Group's products. The Group has been adjusting its procurement strategy. It has adopted annual price negotiation and price negotiation for large-value orders, monitored the trend of bulk raw materials and its correlation with the pricing of purchased materials, and promoted technological reforms to ensure the reduction of procurement costs.

During the Reporting Period, international lighting business was still the Group's core business and contributed a majority of revenue to Group. Although the Group faced a difficult economic environment, in order to maintain the Group's business healthy, the Group implemented numbers of reformation including, development of new products designs, launch of new products, evaluate the Group's procurement strategies, which helped to enhance the competitiveness of the Group's products in term of prices and functionalities.

Selling and Distribution

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

North American Market

In 2023, the world economic recovery was weak with a relatively sluggish overall performance of global trade. The market value of housing in North America has dramatically increased in the past few years since 2019. Since 2019, but the transaction volume of housing decreased significantly recently, and the retail industry in the North American market continued to decline.

During the year, the Group continued to adjust its sales strategy in the United States, combined with optimizing supply chain management, to fully utilize the advantages of current delivery arrangements. In addition, the Group strictly managed the U.S. inventory by conducting classified management based on inventory ageing and the market competition of products and adopting different promotional methods to implement destocking strategies for different categories. It has achieved excellent results by significantly reducing sluggish inventory. The retail strategy in 2023 had a breakthrough compared with previous years. The ETI brand has been redefined and packaged by adding elements of home lighting fixtures to enter the North American retail market and provide different product portfolios and solutions to major building materials retail stores. The Group successfully secured several product projects from one of the largest building materials supermarkets in North America.

In the wholesale channel and project channel, although the overall market was not optimistic, the Group still believed that the market prospect is till promising after conducting detailed market researches. During the Reporting Period, the Group was under the process of developing a new product series. In the tradeshow of 2023, the feedback from the potential customers to this new product series is positive, which is expected to improve the Group's profitability in the future.

Japanese Market

In 2023, the Japanese market continued to suffer from high inflation, slowing exports and a sluggish manufacturing index. The continued decline in real wages has suppressed the purchasing power of Japanese households to a great extent. The high costs brought about by the depreciation of the Japanese Yen suppressed the profit margin of lighting brand owners. In order to ensure their profits, lighting brand owners increased their retail prices.

The overall demand in the retail channel of the lighting market has shrunk compared to the Corresponding Period. Despite the drastic changes in the external environment, the Group's retail channel sales performance still exceeded expectations, mainly due to many factors including the launch of new products and an increase in retail prices. These factors resulted in an increase in overall sales in the retail channel. Moreover, sales in the commercial channel also enjoyed an increase compared with the previous year, mainly due to the launch of new products.

UK and Nordic Markets

The UK and Nordic markets were impacted in the second half of 2023 by significant increases in interest rates. This caused a slow-down in consumer demand, and in particular impacted the residential property markets. Despite these challenges, the management team in the UK remained committed to maintaining stable financial performance of the UK and Nordic markets. The UK and Nordic sales teams focused on developing the brand reputation and driving lighting products demand in the UK and Nordic markets. Also, it drived the product mix to the more added value and higher margin channels. With integration and centralization of Nordic operations, the profitability was improved by cost synergy in Nordic market. Furthermore, the Group focused on promoting DERNIER & HAMLYN ("**D&H**"), a century-old high-quality luxury lighting manufacturer in the UK, and offering bespoke lighting products to customers. With the high margin bespoke products, it maintained stable gross profit margin for the UK and Nordic markets.

UK NVC also retains its commitment to managing processes using International Organization for Standardization (ISO) standards, and along with the ISO 9001/14001/45001 in place at the end of 2022 in the UK and Nordics, and added ISO 22301 (Business Continuity), and ISO 50001 (Energy Management) to the operating standards. From a sustainability perspective, UK NVC is now certified as "Gold" by Ecovadis.

Other Overseas Markets

The Southeast Asian market is mainly composed of three parts, namely the overseas market, the local market in Singapore and the local market in Vietnam. The overseas market mainly includes countries such as Pakistan, Sri Lanka, Uruguay and Mongolia. In 2023, the Group's development in the overseas markets was affected by the local economic and political environment in different ways. Singapore's housing construction industry grew slowly, with the growth of only 1% for the full year of 2023. Singapore's lighting industry had been directly affected by this, but more growth can be expected in 2024. Vietnam's economy continued to be sluggish throughout the year, and its real estate market, in particular, had been greatly affected. These factors directly affected the lighting industry, especially the commercial lighting market. For some key overseas markets such as Uruguay, thanks to its steady economic growth, Uruguay abounded with opportunities for local lighting projects. Our performance in Uruguay improved in 2023 and benefited from economic growth across South America. Pakistan's economic growth has been sluggish throughout the year, and its import restrictions directly led to restricted imports of lighting products in the first half of the year, which were eased in the second half of the year. Sri Lanka was in an economic crisis due to national bankruptcy. However, due to the advancement of national reforms, local infrastructure projects began to increase, and its performance was expected to improve next year. The Group's management is constantly adjusting strategies when facing the ever-changing market environment. In 2023, the business model was transformed to focus on participating in engineering projects, and the gross profit margin increased accordingly. The Group's customers are mainly project distributors, while expanding to include project contractors, designers, consultants and end owners.

During the Reporting Period, the Group's development in Middle East and North Africa focused on national infrastructure construction, and local sizable projects and strengthened cooperation with Chinese-funded construction companies. Further, the Group made substantial adjustments in brand building and product strategy. In 2023, the Group held a distributor conference in Dubai for the distributors in Middle East and Africa with the theme of "Change". At the conference, the product portfolio, optimisation of promotional websites, brand positioning, management structure and other adjustments were introduced. Specifically, it covered the introduction of mature product series, the establishment of separate promotional websites for Middle East and Africa, the reshaping of the NVC brand and the avoidance of homogeneous low-price competition.

Brand Image Building and New Product Research and Development

"Light", "air", and "water" are the three key elements of the Group's business development and also the three main threads of brand building. In 2023, "light" remains the continuous driving force and core foundation of the Group's development. In order to adapt to the ever-changing market environment and align with the Group's development direction of becoming a global brand service provider with industrialization, supply chain integration, and one-stop solutions, the Group has not only re-evaluated our brand identity and image but has also upgraded the image of the group's brand and various overseas lighting brands. Additionally, a new lighting brand, "AURA", has been introduced for the new business areas, enriching the group's brand portfolio. In various business regions, through various marketing activities, each brand continues to connect and capture the minds of different target customers.

In the "air" and "water" aspects, as the Group continues to develop indoor air quality products, corresponding brand building and promotional efforts have also gained momentum.

In 2024, the Group will continue to upgrade and promote its century-old premium lighting brand, D&H, while continuing to vigorously promote other lighting and non-lighting brands to enhance the visibility of each brand in the international market.

The Group's strategy is to illuminate the world with an unmatched portfolio of LED lighting solutions. We accomplish this through a vertically integrated global supply chain, deep partnership with our global network of independent distributors and a diverse portfolio of brands, applications, and products in the lighting and electricals sectors. The Group attaches great importance to the research and development of innovative technologies. The research department propelled the operating model of "synchronous development and concurrent engineering" within the Company by adhering to the R&D concept of "innovation, speed, quality and cost" and the R&D ideas of "three generations (production generation, development generation and pre-research generation)", greatly speeding up the efficiency of new product research and development. In 2023, the Group successfully developed a series of lighting products, including cabinet light series, Bluetooth speaker light series and garage light series. In 2023, we completed the platformization, serialization, modularization and standardization of major product categories, and we also established manufacturing workshops in our factory in Vietnam and introduced a series of blow moulding, extrusion and roll manufacturing processes and equipment which had enhanced the competitiveness of our manufacturing system.

FUTURE PROSPECTS

In 2024, international lighting business would still be the core business of the Group. In additional to this, the Group will continue to promote the development of the indoor air quality business help to enhance the Group's revenue stream in the futures. Although, in 2024, it is expected that the global economic environment will keep uncertain, the Group believes a series of reformations conducted in 2023 could provide numbers of benefits to the Group during 2024. Especially the efforts from the Group's research and development team, their innovation allows the Group to expand its current products portfolio in the speedy and cost-efficient way. The Group intends to promote cost-effective and intelligent products to the customers. Further, the Group will proactively improve its brand image to enhance its brand awareness in the international markets.

North American Market

In the North American market, the Group will continue to strengthen the development of core product lines, and new product planning will follow the principles of platformization, standardization, modularization and serialization to improve the level of self-production and cost optimization. The Group will also optimize the new product development process and shorten the development cycle to speed up the introduction of new products to the market. The Group will continue to focus on promoting new products under the ETI brand through multiple channels and methods. The Group will invest more resources in expanding sales through existing channels. In terms of the commercial channel, we will reorganize the sales team in the United States and actively introduce new distributors of lighting channel to promote new products under the ETI brand widely. In 2024, the AURA linear light products will be launched in the North American market. This is a brand-new product series and a key development direction in the future, expected to be launched on the market in late 2024. Inventory control will remain a key task in 2024, and we will continue to implement the currently effective destocking strategy to control inventory levels.

Japanese Market

It is expected that Japan's overall economy will continue to be depressed in 2024, and consumption desire will decline. Coupled with the environment of declining population year after year, the Japanese lighting market has a clear tendency to shrink. In addition, the wave of price increases in 2023 will lead to a decline in market demand, and retailers will take active action to develop their own brands to lower retail prices and increase profits. The business model of private brands will accelerate development, and competition in the lighting market is expected to become more intense.

The sales strategy in the Japanese market in 2024 continues to focus on technological innovation, quality-first and profit orientation. We will take key measures, such as improving production efficiency, focusing on inventory management, reducing logistics costs, strengthening discount management, expanding market share and expanding the e-commerce market, so as to contribute more profits to the Group.

UK and Nordic Markets

The management of the Group anticipates the sale performance in the UK and Nordic Markets will improve in 2024 due to the upcoming new launch of a portfolio of standard products by D&H and the emergence of new project opportunities. The Group will continue improving the gross profit margin of its UK and Nordic lighting business by introducing high value products to the wholesale market and focusing on lighting project development. The management of the Group will also improve the operation efficiency by enhancing to inventory management with a view to improving the financial performance of the Group. Also, the Group will put more resources in developing more new D&H products and promoting D&H products to secure more sale orders. With the progress of D&H bespoke lighting product projects, the Group will further enhance its revenue and financial performance in the UK and Nordic markets.

Other Overseas Markets

The Group has formulated a three-year business plan for the Southeast Asian market, which includes specific business strategies, product cycle planning and marketing planning. The year 2024 will be a critical turning year for the Group in the Southeast Asian market. We will carry out business through dual channels of project and distribution, focusing on the four key markets including Singapore, Vietnam, Pakistan and Sri Lanka, thereby increasing the market share of other existing customers. We will also expand other potential markets through business development to ensure continued business growth. In terms of products, we will focus on key product planning for market segments of key projects and enrich product lines in each key market segment. We will renovate and design showrooms in our offices in Singapore and Vietnam to promote our key product lines through customer product briefings and trainings. Furthermore, a localized website for Singapore/Vietnam is expected to be launched in the first half of the year. In terms of new product launches, we will utilize new product-content marketing such as key product videos, project cases, application manuals, display boxes and recommendations from customers. In 2024, we will selectively participate in some regional exhibitions and customer seminars to enhance the publicity of NVC's brand and products.

In Middle East and North Africa markets, the Group will still focus on the construction project business with cooperation with Chinese-funded construction companies. Further, the Group will reshape the brand in this region and introduce UK NVC product line to focus on high-end customers market.

Brand Building, Product Development and Internal Management

2023 marked the first year of the post-pandemic era, with global economic turbulence. The Group adopted a cautious yet progressive approach in its brand strategy, focusing on reviewing and upgrading the brand portfolio within the Group to actively prepare for future business development. During the year, we upgraded the group brand's visual identity system and core slogan, and subsequently launched a brand-new official website to align with the Group's more diverse business and international image. New brand identity, values and other elements, will also be unveiled in 2024. Furthermore, the Group updated the brand logo and visual identity system for its lighting brand "ETI" in North America, which will be officially implemented in 2024. Additionally, in the North American region, we introduced the new lighting brand "AURA," expanding the diversity of the Group's lighting business and brand portfolio. In other various business regions, each brand continued its promotion efforts through online and offline media, as well as at trade shows, exhibitions, and other large-scale events, further enhancing brand exposure and influence.

As market competition further intensifies, the cost competitiveness of products needs to be further improved. In terms of the supply chain, price control of raw materials will be a key concern of the Group. The Group will strengthen management in terms of material prices, inventory control and team personnel optimization. The Group intends to further improve the competitiveness of its future products and transformed the same into the Group's comprehensive strength through the following means: annual bidding and price negotiation; promotion of localized procurement in Vietnam; continuing the implementation and improvement of JIT delivery strategy to reduce raw material inventory; accelerating the comprehensive self-production of blow moulding, extrusion and roll parts; and introducing new processes and technologies and other cost control plans. In addition, the Group will continue to promote the digitalisation and informatisation construction throughout the Group. In 2024, the Group is devoted to promoting the ERP system transformation of its subsidiaries, so as to achieve globally cross-regional cooperation and resource sharing among main businesses, thereby enhancing the overall operating efficiency of the Group. Meanwhile, the Group will enhance its ERP function and, by adding different functions, further enhance its governance effectiveness.

FINANCIAL REVIEW

Sales Revenue

Sales revenue represents the invoiced value of goods sold, after allowances for returns and trade discounts. During the Reporting Period, the sales revenue of the Group amounted to 235,978,000, representing a decrease of 15.6% as compared with the sales revenue in the Corresponding Period.

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

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

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

	Year ended 31 December		
	2023	2022	Growth rate
	US$'000	*US$'000* (restated)	
Sales revenue from the PRC market			
Non-NVC brands	**14,041**	17,492	(19.7%)
Subtotal	**14,041**	17,492	(19.7%)
Sales revenue from international markets			
NVC brands	**36,839**	43,097	(14.5%)
Non-NVC brands	**185,098**	218,879	(15.4%)
Subtotal	**221,937**	261,976	(15.3%)
Total	**235,978**	279,468	(15.6%)

The Group continues to focus on the lighting products in overseas markets. During the Reporting Period, sales revenue from the PRC decreased by 19.7%, due to the increasingly fierce competition from other competitors. Meanwhile, international sales decreased by 15.3%, mainly due to the weak demand resulted from serious inflation issues and the weak economy in international market. This led to a decrease in the overall sales revenue by 15.6% comparing with the Corresponding Period.

Cost of Sales

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

	Year ended 31 December			
	2023		2022	
	US$'000	***Percentage in revenue (%)***	*US$'000* (restated)	*Percentage in revenue (%)*
Raw materials (including outsourced manufacturing costs)	**144,179**	**61.1%**	183,925	65.8%
Labor costs	**15,373**	**6.5%**	16,868	6.0%
Indirect costs	**9,108**	**3.9%**	14,825	5.3%
Total	**168,660**	**71.5%**	215,618	77.2%

During the Reporting Period, the cost of sales as a percentage in revenue decreased from 77.2% to 71.5%, while the gross profit margin increased from 22.8% to 28.5%, which was mainly attributable to the commodities prices and shipping cost have become normalised.

Gross Profit and Gross Profit Margin

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

During the Reporting Period, gross profit was US$67,318,000, representing an increase of 5.4% as compared with the gross profit of sales from the continuing operations of the Corresponding Period, and gross profit margin of sales increased from 22.8% to 28.5%.

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

	Year ended 31 December			
	2023		2022	
	US$'000	***(%)***	*US$'000* (restated)	*(%)*
Gross profit from PRC sales:				
Non-NVC brands	**1,719**	**12.2%**	1,953	11.2%
Subtotal	**1,719**	**12.2%**	1,953	11.2%
Gross profit from international sales:				
NVC brands	**12,688**	**34.4%**	13,712	31.8%
Non-NVC brands	**52,911**	**28.6%**	48,185	22.0%
Subtotal	**65,599**	**29.6%**	61,897	23.6%
Total	**67,318**	**28.5%**	63,850	22.8%

The Group faced the impact of high commodities and freight cost since 2021. However, the Group had implemented the following measures to mitigate the impact. Firstly, the Group gradually transferred the best-selling product lines to Vietnam factories where more preferential trade policies are provided, and strengthened procurement and technology to reduce costs, which mitigated the impact of high commodities price; secondly, the Group expanded its exposure in Nordic market, where it generated more gross profit to the Group; and lastly, it accelerated the development and promotion of new products, and provided customisation products and services to increase the added value and gross profit margin of new products, which contributed to the gradual increase in the proportion of new products with high gross profit margin, leading to an effective increase in the overall gross profit margin. With the combined effects, the overall gross profit margin of the Group during the Reporting Period increased from 22.8% to 28.5% as compared with the Corresponding Period.

Other Income

Our other income mainly consists of government grants and other subsidies, bank and other interest income, surcharges from suppliers, rental income, consultancy service income, trademark licensing fee and others (the breakdown of which is provided in Note 4 to the consolidated financial statement in this announcement). We received various types of government grants in the form of tax subsidies, incentives for research and development activities and expansion of production capacity of energy-saving lamp. During the Reporting Period, other income of the Group decreased as compared with the other income from the Corresponding Period, which was mainly due to combined effects of decrease in government grants and other subsidies, bank interest income, and increase of rental income.

Other Gains and Losses

This item represents the Group's net foreign exchange gains (losses), losses on fair value changes of held-for-trade investments, (loss) gain on disposal of property, plant and equipment and others during the Reporting Period.

Selling and Distribution Costs

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

During the Reporting Period, the selling and distribution costs were US$34,851,000, representing a decrease of 12.8% as compared with the selling and distribution costs from the Corresponding Period. The selling and distribution costs as a percentage in revenue increased from 14.3% to 14.8%, which is mainly resulted from an increase of market research fee.

Administrative Expenses

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

During the Reporting Period, the administrative expenses were US$36,572,000, representing an increase of 9.4% as compared with the administrative expenses from continuing operations of the Corresponding Period, which was mainly due to the return to normal business activities after the COVID-19 pandemic. Our administrative expenses as a percentage in revenue slightly increased from 12.0% for the Corresponding Period to 15.5% for the Reporting Period.

Finance Costs

Finance costs represent the expenses of interest on bank loans, interest on lease liabilities and interest on vendor financing.

Share of Results of Associates

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

Impairment assessment of interests in an associate, Brilliant Lights International Holding Pte. Ltd. ("BLIHP")

As at 31 December 2023, the Group had interest in BLIHP with carrying amount of approximately US$154,735,000 which represented 31% of the net assets of the Group. BLIHP is engaged in investment holding, manufacture and sales of lamps, luminaries, lamp transformers, lighting electronic products and other appliances. Due to improvement on the financial performance of BLIHP, the Group's management conducted an impairment reversal assessment of the interest in BLIHP by comparing the recoverable amount of the interest in BLIHP which were estimated based on value in use calculation with the carrying amount.

The Group's management engaged an independent qualified professional valuer to assist them to determine the recoverable amount of interest in BLIHP, based on the past performance of BLIHP and the expectations from the Group's management for the market development estimate. The value in use calculation is based on the investor's share of the present value of the estimated future cash flows expected to be generated by BLIHP, based on certain key assumptions and inputs, namely sales growth rates, gross margin, perpetual growth rates and discount rate, used to estimate future cash flows. In cases where the actual cash flows are less or more than expected, or change in facts and circumstances which result in revision of future cash flows estimation or discount rate, a further reversal or material recognition of impairment may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

During the current year, the management determined an impairment loss reversal amounting to US$24,229,000 was recognised in profit or loss as the recoverable amount of the interest in BLIHP which represented the value in use was higher than the carrying amount.

Income Tax

During the Reporting Period, the Group's income tax increased to US$2,786,000 as compared with the income tax from the Corresponding Period. It is mainly due to the increase of current income tax provision from Hong Kong profits tax and other countries including Vietnam, during the Corresponding Period.

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

Due to the factors mentioned above, our profit for the year (including profit attributable to non-controlling interests) was US$37,650,000 during the Reporting Period.

Profit Attributable to Owners of the Company for the Year

Due to the factors mentioned above, profit attributable to owners of the Company was US$35,713,000 during the Reporting Period.

Profit for the Year Attributable to Non-controlling Interests

During the Reporting Period, profit for the year attributable to non-controlling interests was US$1,937,000.

Liquidity

Sufficiency of net current assets and working capital

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

	Year ended 31 December	
	2023	2022
	US$'000	*US$'000*
		(restated)
CURRENT ASSETS		
Inventories	**45,236**	64,305
Trade and bills receivables	**49,464**	45,853
Other receivables, deposits and prepayments	**13,437**	12,346
Tax recoverable	**–**	622
Financial assets at fair value through profit or loss ("**FVTPL**")	**3,939**	4,327
Pledged bank deposits	**–**	53,567
Fixed deposits with maturity of more than three months	**21,158**	–
Cash and cash equivalents	**108,273**	85,057
Subtotal current assets	**241,507**	266,077
CURRENT LIABILITIES		
Trade payables	**39,445**	32,792
Other payables and accruals	**29,501**	24,790
Contract liabilities	**5,516**	5,601
Borrowings	**1,699**	39,034
Deferred income	**142**	145
Lease liabilities	**1,793**	1,547
Financial liabilities at FVTPL	**–**	1,068
Tax liabilities	**1,082**	1,663
Subtotal current liabilities	**79,178**	106,640
NET CURRENT ASSETS	**162,329**	159,437

As at 31 December 2023 and 31 December 2022, the total net current assets of the Group amounted to US$162,329,000 and US$159,437,000, respectively, and the current ratio was 3.05 and 2.50, respectively. In light of our current liquidity position and our projected cash inflows generated from operations, the Directors believe that the Group has sufficient working capital for our present requirements and for the next 12 months.

Capital Management

The table below sets out our gearing ratio as at the end of the Reporting Period.

	Year ended 31 December	
	2023	2022
	US$'000	*US$'000*
		(restated)
Borrowings	**1,699**	39,034
Total debt	**1,699**	39,034
Less: cash and cash equivalents and Fixed deposits with maturity of more than three months	**(129,431)**	(85,057)
Net debt	**N/A**	N/A
Total equity attributable to owners of the Company	**483,771**	454,492
Gearing ratio	**N/A**	N/A

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

Capital Expenditure

We funded our capital expenditure with cash generated from operations and bank loans. Our capital expenditure is primarily related to expenditure on property, plant and equipment and other intangible assets. During the Reporting Period, the Group's capital expenditure amounted to US$6,982,000, mainly attributable to the increase in cost of machinery equipment and other intangible assets.

Off-balance Sheet Arrangement

As at 31 December 2023, the Group did not have any outstanding derivative financial instruments and off-balance sheet guarantees for outstanding loans. The Group did not engage in trading activities involving non-exchange traded contracts during the Reporting Period.

Capital Commitments

As at 31 December 2023, the capital commitments in respect of purchase of property, plant and equipment were US$971,000 (31 December 2022: US$845,000).

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the continuing connected transactions of the Group did not exceed the annual caps previously disclosed in the relevant announcements of the Company.

MERGERS, ACQUISITIONS, INVESTMENTS AND DISPOSALS

Save as disclosed in this announcement, the Group made no material acquisition, merger, investment or disposal of subsidiaries, associates and joint ventures and there were no significant investments held during the Reporting Period.

MARKET RISKS

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

Foreign Currency Risk

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

Commodity Price Risk

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

Liquidity Risk

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

Credit Risk

Our major credit risk arises from exposure to a substantial number of trade and bills receivables, deposits and other receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in Mainland China, Hong Kong and Singapore. We also have policies that limit our credit risk exposure to any financial institutions. The carrying amounts of trade and bills receivables, deposits and other receivables, cash and cash equivalents and short-term deposits included in the consolidated statement of financial position represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2023, we entered into a number of one-year insurance contracts with China Export & Credit Insurance Corporation, which covered 90% uncollectible receivables from international sales during the period from 1 July 2023 to 30 June 2024 with a maximum compensation amount of US$20,000,000. We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts when they become due.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

As set out in the Company's announcement dated 8 March 2024, the Group entered into a share purchase agreement, pursuant to which the Group agreed to purchase 40% of the total issued share capital of NVC Lighting AB, which was a non-wholly-owned subsidiary of the Group, for an initial consideration of US$582,000 (equivalent to SEK6,000,000) and completion had taken place on the date of the announcement.

With effective from completion, NVC Lighting AB has become a wholly-owned subsidiary of the Group. For further details of the acquisition, please refer to the Company's announcement dated 8 March 2024.

Save as disclosed above, no important events affecting the Company occurred since 31 December 2023 and up to the date of this announcement.

FINAL DIVIDEND

The Board has proposed not to declare final dividend for the year ended 31 December 2023 (2022: Nil).

ANNUAL GENERAL MEETING

The annual general meeting (the "**Annual General Meeting**") of the Company is scheduled to be held on Friday, 14 June 2024. A notice convening the Annual General Meeting will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.nvc-international.com, and dispatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, 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, 7 June 2024.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2023, the Group had approximately 1,967 employees in total (31 December 2022: 2,246). The Group regularly reviews remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes, discretionary incentive and share option schemes.

The Group's remuneration policy is to compensate our employees based on their performance, qualifications and our results of operations.

The emoluments of our Directors and senior management are determined by our Remuneration Committee with reference to our results of operations, their individual performance and the comparable market statistics.

The Company was not aware of any arrangement under which a Director has waived or agreed to waive any emoluments.

ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

On 9 July 2023, the Company and Canopy Capital Limited (being the "**Subscriber**") entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which the Subscriber conditionally agreed to subscribe and the Company conditionally agreed to allot and issue a total of 845,456,130 new Shares (the "**Subscription Shares**"). The subscription price of HK$0.083 per Subscription Share represented a premium of approximately 16.9% to the closing price of HK$0.071 per Share as quoted on the Stock Exchange on 7 July 2023, being the last full trading day in the Shares prior to the date of the Subscription Agreement; and a premium of approximately 23.9% to the average of the closing prices of approximately HK$0.067 per Share as quoted on the Stock Exchange for the last five trading days immediately before 9 July 2023, being the date of the Subscription Agreement. The Subscription Shares represent approximately 20.0% of the issued share capital of the Company as at the date of the Subscription Agreement and approximately 16.7% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. According to the par value of US$0.0000001 each Share prior to the share consolidation which took effect on 27 October 2023, the nominal value of the Subscription Shares was US$84.55.

As at the date of this announcement, the net proceeds had been used for development and expansion of overseas business and general working capital requirements.

The gross proceeds of this subscription amounted to approximately HK$70.2 million. After deducting all professional fee and related expenses, the net proceeds from the issue of the Subscription Shares amounted to approximately HK$69.7 million. The net price for each Subscription Share was approximately HK$0.082. For more details, please refer to the announcement of the Company dated 9 July 2023 and the circular of the Company dated 4 August 2023. The subscription was approved by the Shareholders at the extraordinary general meeting of the Company held on 21 August 2023 and completed on 25 August 2023.

SHARE CONSOLIDATION

On 25 October 2023, the Company held an extraordinary general meeting and an ordinary resolution was passed to approve the consolidation of every ten issued and unissued existing ordinary Shares with a par value of US$0.0000001 each in the authorised and issued share capital of the Company into one consolidated Share with a par value of US$0.000001 each in the share capital of the Company. The share consolidation became effective on 27 October 2023 and the total number of issued Shares became 507,273,677 Shares. For details of the share consolidation, please refer to the announcements of the Company dated 18 September 2023 and 25 October 2023 and the circular of the Company dated 9 October 2023.

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

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CORPORATE GOVERNANCE

The Directors are of the opinion that, during the Reporting Period, the Company had fully complied with the principles and code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. Specific enquiry has been made to all the Directors, and all the Directors have confirmed that they have complied with all relevant requirements as set out in the Model Code during the Reporting Period.

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

STRATEGY AND PLANNING COMMITTEE

The Company established a strategy and planning committee (the "**Strategy and Planning Committee**") under the Board with written terms of reference. The primary duty of the Strategy and Planning Committee is to propose and formulate the strategic development plan of the Company for the Board's consideration.

As of the date of this announcement, the Strategy and Planning Committee consists of four executive Directors and one independent non-executive Director as members, namely, Mr. WANG Donglei, Ms. CHAN Kim Yung, Eva, Mr. XIAO Yu, Mr. WANG Keven Dun and Mr. WANG Xuexian, respectively. Mr. WANG Donglei is the chairman of the Strategy and Planning Committee.

CHANGES OF DIRECTORS AND CHANGES IN THEIR INFORMATION

From 1 January 2023 and up to the date of this announcement, the changes of Directors and Board Committees, and changes in the Directors' personal information are as follows:

Mr. LEE Kong Wai, Conway

– Mr. LEE Kong Wai, Conway was appointed as an independent non-executive director of Intchains Group Limited (the shares of which are listed on NASDAQ Stock Exchange (stock code: ICG)) on 15 March 2023. He resigned as an independent non-executive director of Yashili International Holdings Ltd (the listing of the shares on the Stock Exchange being withdrawn on 5 July 2023) and Guotai Junan Securities Co., Ltd. (the shares of which are listed on the main board of the Stock Exchange (stock code: 2611)) with effect from 5 July 2023 and 30 November 2023 respectively. He retired as an independent non-executive director of GOME Retail Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 493)) with effect from 21 September 2023.

Ms. CAO Qin

– Ms. CAO Qin resigned as an executive Director with effect from 29 December 2023 in order to devote more time to pursue her other business commitments.

Save as disclosed above, there is no other information that should be disclosed under Rule 13.51B(1) of the Listing Rules.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Group's audited annual results for the Reporting Period will be included in the Company's annual report which will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.nvc-international.com and will be despatched to the Shareholders upon request in due course.

REVIEW OF ACCOUNTS

The Group's annual results for the Reporting Period have been reviewed by the Audit Committee and approved by the Board.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

APPRECIATION

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

DEFINITIONS

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

"Board"	the board of Directors.

"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not apply to Taiwan, the Macau Special Administrative Region and Hong Kong.
"CG Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.
"Company"	NVC International Holdings Limited (雷士國際控股有限公司) (formerly known as NVC Lighting Holding Limited (雷士照明控股有限公司)), a company incorporated in the British Virgin Islands on 2 March 2006 and subsequently redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the laws of the Cayman Islands. The shares of the Company are listed on the main board of the Stock Exchange (stock code: 2222).
"Corresponding Period"	the year ended 31 December 2022.
"Director(s)"	the director(s) of the Company.
"Group"	the Company and its subsidiaries.
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong.
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China.
"LED"	light-emitting diode.
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

"ODM"	original design manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer's brand name.
"Reporting Period"	the year ended 31 December 2023.
"Share(s)"	ordinary share(s) of US$0.000001 each in the share capital of the Company.
"Shareholder(s)"	holder(s) of Share(s).
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Subsidiary"	has the meaning ascribed thereto under the Listing Rules.
"UK"	the United Kingdom of Great Britain and Northern Ireland.
"UK NVC"	NVC Lighting Limited (formerly known as NVC (Manufacturing) Limited), a private company incorporated in England and Wales on 31 May 2007, and our direct wholly-owned subsidiary.
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction.
"US$"	United States dollars, the lawful currency of the United States.
"we", "us" or "our"	the Company or the Group (as the context may require).

On behalf of the Board
NVC International Holdings Limited
WANG Donglei
Chairman

Hong Kong, 28 March 2024

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