



## **KKR to Form Strategic Partnership with NVC Lighting and Acquire Majority Interest in NVC Lighting's China Lighting Business**

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Contribution of KKR's Resources and Operational Expertise Positions China Lighting Business for Continued Growth in the Domestic Chinese Market

NVC Lighting Will Own 30% of NVC Lighting's China Lighting Business through Joint Venture with KKR

NVC Lighting Board Declares a Special Dividend not less than HK\$0.9 per share to be Paid Upon Closing of the Transaction

HONG KONG--(BUSINESS WIRE)-- Global investment firm KKR and NVC Lighting Holding Limited ("NVC Lighting" or the "Company") (Stock Code:2222) today announced the signing of a Share Purchase Agreement under which KKR has agreed to set up a strategic partnership with NVC Lighting and acquire a majority interest in NVC Lighting's China Lighting Business ("NVC China") for a total equity value of approximately US\$794 million. Following the completion of the transaction, KKR will own 70% of NVC China and NVC Lighting will hold the remaining 30% and receive a cash consideration.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20190811005024/en/>

NVC China is a leading lighting company in China, manufacturing, selling and distributing branded lighting products and providing lighting solutions to consumers and business clients through a robust distribution network across China.

Paul Yang, Member and Head of KKR Greater China, said, "China's lighting market has experienced tremendous momentum over the past 20 years and continues to develop as technology advances and next generation products come online. NVC China is an industry leader with an extensive distribution network, well-known brand name and strong product design capabilities. We look forward to working together with NVC China's talented management team to support their long-term growth plan, as well as contributing to the overall development of China's lighting industry and deepening KKR's commitment to the market."

Wang Donglei, Chairman of the Board of NVC Lighting, said, "Our Board conducted a comprehensive sales process, assisted by financial and legal advisors. We are pleased that this robust process has produced an outstanding outcome for our shareholders, who will maintain minority ownership in NVC China as well as full ownership of NVC Lighting's international business and its non-lighting business in China, and receive a compelling cash consideration for their shares. We believe we have found a partner in KKR who shares our conviction in the opportunity for NVC China and will contribute resources and operational expertise to support the long-term development of the business."

NVC China will continue to commit to the China market and focus on addressing the increasing demand of Chinese consumers and business clients for high-quality lighting products. The support of KKR's resources and operational expertise will enable the business to undertake a long-term growth strategy that is also supported by China's ongoing consumption, industrial and commercial upgrades, as well as the promotion of environmental protection and energy conservation. These trends underpin healthy long-term sector growth for the lighting industry in China, and NVC China will invest in its business to ensure the NVC brand stays ahead as a technology and business model innovator.

### **Transaction Details**

In connection with the transaction, KKR and NVC Lighting are to form a Joint Venture whereby KKR will own 70% of NVC China and NVC Lighting will own the remaining 30%. NVC Lighting will transfer 100% of NVC China to the Joint Venture co-owned by KKR and NVC Lighting. NVC Lighting will also receive a cash consideration from the transaction. The final settlement of payment is subject to certain adjustments and closing conditions.

A Special Dividend not less than HK\$0.9 per share will be declared by the Board of NVC Lighting and paid to the Company's registered shareholders, subject to the approval and closing of the transaction. NVC Lighting will convene an EGM for shareholders to approve the transaction and Special Dividend.

NVC Lighting's non-lighting business in China, China ODM business and international business are not included in the transaction and will remain with NVC Lighting.

The transaction is expected to close in the fourth quarter of 2019, subject to customary closing conditions and regulatory and shareholder approvals.

Paul, Weiss, Rifkind, Wharton & Garrison LLP, Fangda Partners and Kirkland & Ellis acted as legal advisors to KKR. Freshfields Bruckhaus Deringer acted as legal advisor and Deloitte & Touche Corporate Finance Limited acted as financial advisor to NVC Lighting.

KKR is making this investment from its flagship Asian Fund III. China is a core focus within KKR's Asia Pacific strategy, and the Firm has deployed more than US\$4.5 billion since 2007 to build domestic champions into industry leaders. KKR delivers deep, local expertise to Chinese companies across various sectors through its offices in Beijing, Hong Kong, and Shanghai.

#### **About KKR**

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

#### **About NVC Lighting**

NVC Lighting is a leading lighting solutions company in the PRC. It designs, develops, produces, markets and sells a variety of lighting products, with a strong focus on energy-saving and health-promoting lighting products. Currently NVC Lighting is principally engaged in the design, development, production, marketing and sales of lighting products and certain non-lighting products in both the PRC market and international market. The businesses, by geographical locations, include its lighting business in China, non-lighting business in China, China ODM business and international business. After the transaction, NVC Lighting will be primarily engaged in its non-lighting business in China, China ODM business and international business, which includes the design, development, production, marketing and sales of lighting products.

#### **Disclosures and Additional Information**

This press release contains certain forward-looking statements and information that are based on the beliefs of the relevant persons as well as assumptions made by and information currently available to such persons. Such statements reflect the current views of such persons with respect to future events and operations, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties could affect the accuracy of forward-looking statements.

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