

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are an automotive optical technology company. We specialize in providing vehicle camera products comprising sensing and cabin products. We are also expanding our product portfolio into other vehicle optical products including LiDAR, in-cabin projection display and automotive lighting products. Leveraging our integrated R&D platform, global supply chain integration capabilities and an open partnership ecosystem, we facilitate intelligent perception and interaction to enhance the safety and comfort of driving experience.

Our business had initially been operated as part of Sunny Optical Technology Group. To facilitate the [REDACTED] and the [REDACTED], Sunny Optical Technology Group has undergone the Reorganization to transfer our business to our Group. Following the Reorganization, our Group principally engages in vehicle-related optical businesses, offering a wide spectrum of advanced optical products with a focus on vehicles as the field of application, while Retained Sunny Optical Technology Group continues to carry out the remainder of its existing principal business, which includes R&D, manufacture and sales of optical and optical-related products which focus on fields of application other than vehicles, such as XR, smartphones, pan-IoT, robotics and optical instruments.

KEY MILESTONES

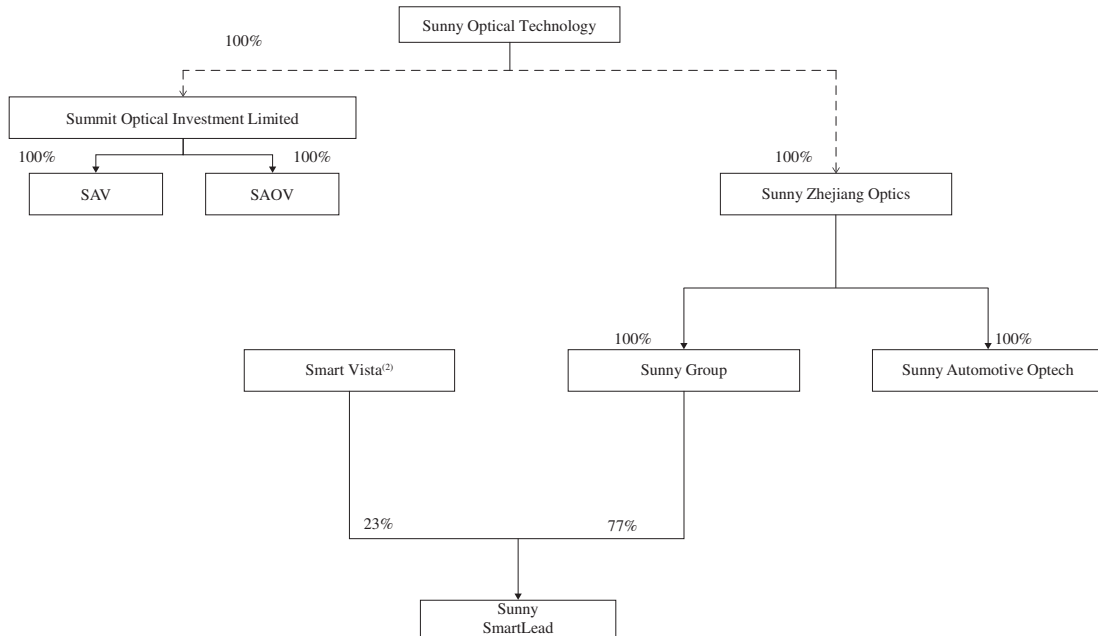
The following table sets forth the key milestones of our corporate and business development.

Year	Milestone
2004	Our vehicle-related business commenced operations. We established our foothold in overseas markets. We became the first company globally to develop ADAS camera products, according to Frost & Sullivan.
2012	Our vehicle lens sets held top global market share, according to Frost & Sullivan.
2019	We established our production base in Vietnam.
2024	Our vehicle camera products ranked first globally based on shipment volume. We became the world’s largest sensing and cabin products provider by shipment volume.
2025	We covered 8 out of the top 10 global Tier-1 suppliers and 19 out of the top 20 global OEMs.

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THE REORGANIZATION

The following chart sets forth the simplified corporate structure of Sunny Optical Technology Group immediately prior to the Reorganization:



Note:

- (1) “—” denotes direct shareholding and “---” denotes indirect shareholding.
- (2) As of the Latest Practicable Date, Smart Vista was controlled by Mr. Shao Yang Dong, one of our non-executive Directors.

In preparation for the [REDACTED], we carried out the following principal steps with respect to the Reorganization, upon which our Company became the holding company for our Group:

1. Incorporation of our Company and SA

On November 12, 2025, our Company was incorporated as a joint stock company with limited liability under the laws of the PRC, and was then wholly owned by Sunny Zhejiang Optics. The initial registered share capital of our Company was RMB100 million, divided into 100,000,000 Shares with a nominal value of RMB1.00 each.

SA was incorporated in Hong Kong on the same date as a private company with limited liability, which was wholly owned by Sunny Automotive Optech.

2. Transfer of SAV and SAOV to our Company

Pursuant to the share purchase agreements dated December 5, 2025 between SA and Summit Optical Investment Limited, an indirectly wholly owned subsidiary of Sunny Optical Technology, Summit Optical Investment Limited transferred the entire share capital in each of SAV and SAOV to SA. Registration in respect of the share transfers of each of SAV and SAOV were completed on January 5, 2026 and January 9, 2026, respectively.

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3. Transfer of Sunny Automotive Optech and Sunny SmartLead to our Company

Pursuant to a decision made by the sole shareholder of our Company (the “**Shareholder’s Decision**”) dated December 29, 2025 and a share purchase agreement dated the same date between our Company and Sunny Zhejiang Optics, Sunny Zhejiang Optics transferred the entire equity interest in Sunny Automotive Optech to our Company, and we issued and allotted 1,596,000,000 Shares to Sunny Zhejiang Optics in return. Upon completion of the capital increase and transfer of equity interest, Sunny Automotive Optech became wholly owned by our Company on December 30, 2025.

Pursuant to the Shareholder’s Decision and a share purchase agreement between our Company and Sunny Group dated December 29, 2025, Sunny Group transferred 77.0% equity interest in Sunny SmartLead held by it to our Company, and our Company issued and allotted 234,000,000 Shares to Sunny Group in return. Further, pursuant to the Shareholder’s Decision and a share purchase agreement dated December 29, 2025 between our Company and Smart Vista, Smart Vista transferred 23.0% equity interest in Sunny SmartLead held by it to our Company, and our Company issued and allotted 70,000,000 Shares to Smart Vista in return. Upon completion of the above capital increases and transfers of equity interest, Sunny SmartLead also became a wholly owned subsidiary of our Company on December 30, 2025.

Upon completion of the Reorganization and immediately before the [REDACTED], our Company was held as to 84.8%, 11.7% and 3.5% by Sunny Zhejiang Optics, Sunny Group and Smart Vista, respectively. See “— Corporate Structure — Our corporate structure immediately prior to the [REDACTED].” As of the Latest Practicable Date, all necessary regulatory approvals in relation to the implementation of the Reorganization had been obtained.

OUR PRINCIPAL SUBSIDIARIES

The following sets forth the information on our subsidiaries have made material contribution to our operating results during the Track Record Period.

Subsidiary	Place of incorporation	Date of incorporation	Shareholding	Principal activities
Sunny Automotive Optech	PRC	April 10, 2008	100%	Manufacture and sale of vehicle camera products and other vehicle optical products
Sunny SmartLead . . .	PRC	November 23, 2015	100%	Manufacture and sale of vehicle camera products
SAV	Vietnam	November 12, 2019	100%	Manufacture and sale of vehicle camera products
SAOV	Vietnam	October 5, 2023	100%	Manufacture and sale of vehicle camera products

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period, our Company did not conduct any acquisition of business for which any of the applicable percentage ratios as defined under the Listing Rules exceeds 25%, which would require disclosure pursuant to Rule 4.05A of the Listing Rules. We also did not conduct any other acquisitions, disposals or mergers material to our Group during the Track Record Period and up to the Latest Practicable Date.

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THE [REDACTED] OF OUR GROUP FROM SUNNY OPTICAL TECHNOLOGY

Our [REDACTED] will constitute a [REDACTED] from Sunny Optical Technology, one of our Controlling Shareholders. The proposal in relation to the [REDACTED] was submitted by Sunny Optical Technology to the Stock Exchange for approval pursuant to Practice Note 15, and the Stock Exchange has confirmed that Sunny Optical Technology may proceed with the [REDACTED]. We believe that the [REDACTED] is beneficial to both Sunny Optical Technology and our Company for the following reasons, among others:

- (a) the [REDACTED] will allow Sunny Optical Technology an opportunity to unlock the value of our Group and realize its fair value of investment in our Group, as separating our Group from Sunny Optical Technology Group will enable the shareholders of Sunny Optical Technology and potential investors to evaluate our Group and Sunny Optical Technology Group independently based on their respective standalone performance and growth potential;
- (b) our Company is a separate corporate entity that operates independently from Sunny Optical Technology Group, having its own management team and corporate and business functions. Sunny Optical Technology will [REDACTED] a minority stake of our Company and will continue to consolidate our Company into its accounts, therefore our Group will continue to be a key strategic asset of Sunny Optical Technology Group upon completion of the [REDACTED];
- (c) the [REDACTED] will also allow an independent and separate fund-raising platform for our business to fund the growth and expansion of our Group;
- (d) the [REDACTED] will potentially provide greater debt capacity due to greater clarity for credit profiling of each of Sunny Optical Technology Group and our Group, respectively, by financial institutions that wish to extend credit or financing to Retained Sunny Optical Technology Group or our Group;
- (e) the [REDACTED] will increase operational and financial transparency and improve the corporate governance of our Group and provide investors, financial institutions and rating agencies with greater clarity on the business and financial status of the Retained Sunny Optical Technology Group and our Group on a standalone basis. Such improvements will help to build investor confidence in forming investment decisions based on their assessment of the performance, management, strategies, risks and returns of both the Retained Sunny Optical Technology Group and our Group (on a standalone or combined basis); and
- (f) the [REDACTED] will enable our Group to enhance its corporate profile, thereby increasing its ability to attract employee talent, as well as strategic investors who may produce synergies for our Group, for investment in and forming strategic partnerships with our Group.

In accordance with the requirements of Practice Note 15, Sunny Optical Technology will give due regard to the interests of its existing shareholders by providing them with an [REDACTED] to the H Shares by way of the [REDACTED]. See the section headed “Structure of the [REDACTED]” for further details of the [REDACTED].

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APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

Our Company has made an application to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED] in, our H Shares. No part of the share or loan of our Company is listed or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek such listing of, or permission to [REDACTED], the share or loan of our Company on any other stock exchange.

PUBLIC FLOAT

Upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), 1,696,000,000, 234,000,000 and 70,000,000 Shares held by Sunny Zhejiang Optics, Sunny Group and Smart Vista, respectively, will not be counted towards the public float, representing a total of 2,000,000,000 Shares or approximately [REDACTED]% of our share capital in aggregate upon [REDACTED]. Based on the above, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and taking into account the Conversion of Unlisted Shares into H Shares), a total of [REDACTED] H Shares (being the H Shares offered in the [REDACTED]), representing [REDACTED]% of our total share capital upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) will be counted as part of the public float in accordance with Rule 8.08 (as amended and replaced by Rule 19A.13A(1)) of the Listing Rules.

To the best knowledge and information of our Directors, taking into account the Conversion of Unlisted Shares into H Shares upon [REDACTED], based on an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED], and HK\$[REDACTED] per H Share, being the low-end, mid-point and high-end of the [REDACTED] range respectively, the minimum prescribed public float percentage under Rule 8.08 (as amended and replaced by Rule 19A.13A(1)) of the Listing Rules would be approximately [REDACTED]%, [REDACTED]% or [REDACTED]%, being the percentage derived by dividing HK\$[REDACTED] billion by the total market capitalization of our Company at the time of [REDACTED]. None of the H Shares converted from Unlisted Shares will be counted towards public float. The total number of the H Shares to be [REDACTED] pursuant to the [REDACTED] that are counted towards the public float represent approximately [REDACTED]% of the total issued share capital of our Company (assuming the [REDACTED] is not exercised), which is higher than the minimum prescribed public float percentage under Rule 8.08 (as amended and replaced by Rule 19A.13A(1)) of the Listing Rules. Therefore, our Company will be able to meet the minimum public float requirements under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

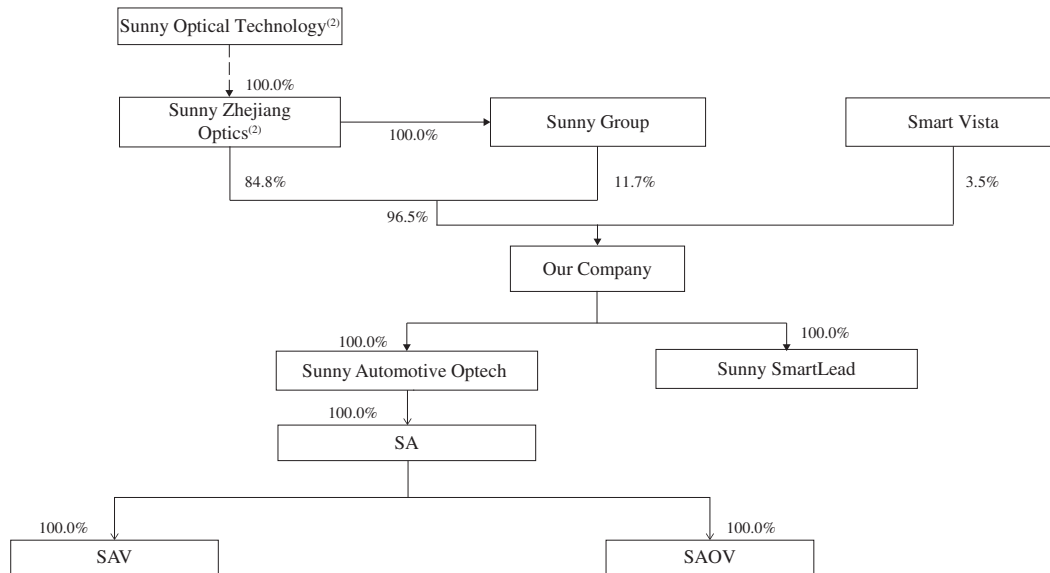
Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, normally the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000. Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the low end of the indicative [REDACTED] range and taking into account of the disposal restrictions, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

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CORPORATE STRUCTURE

Our corporate structure immediately prior to the [REDACTED]

The following diagram sets out the simplified corporate and shareholding structure of our Group immediately after completion of the Reorganization but before completion of the [REDACTED]:



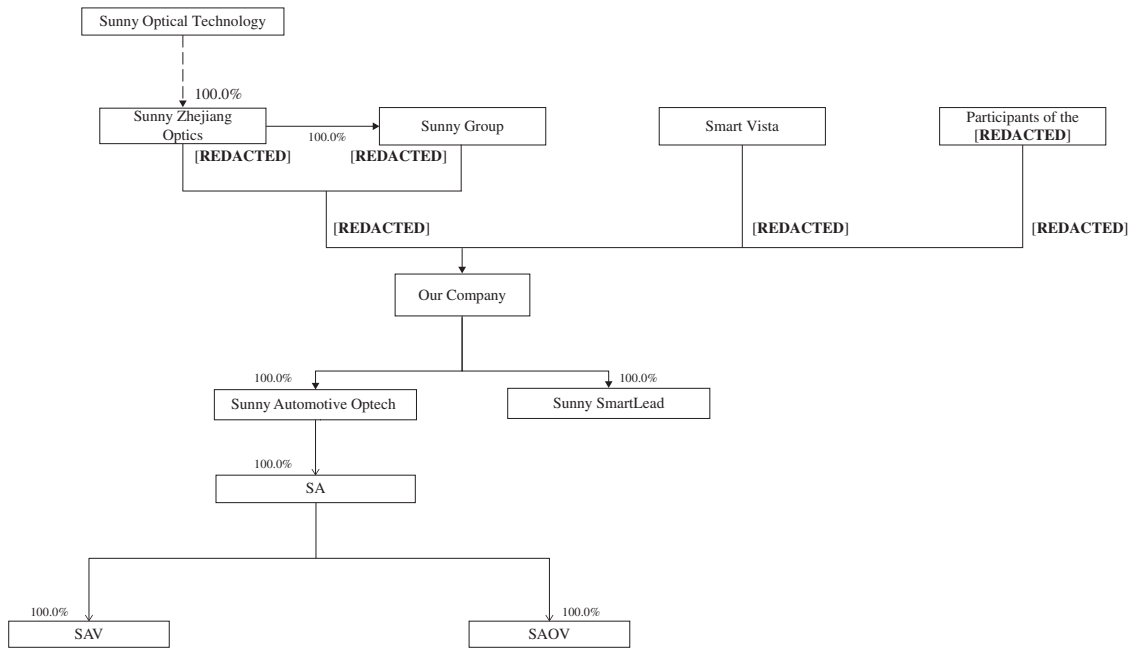
Notes:

- (1) “—” denotes direct shareholding and “---” denotes indirect shareholding.
- (2) As of the Latest Practicable Date, Sunny Zhejiang Optics was directly held by Sunny Optical Overseas and Summit Technology (HK) as to 72.13% and 27.87%, respectively. Sunny Optical Overseas was wholly owned by Sun Xiang Optical, which was in turn wholly controlled by Sunny Optical Technology through its wholly owned subsidiary Sun Yun Optical. Summit Technology (HK) was 100% owned by Summit Technology (BVI), which was also in turn wholly controlled by Sunny Optical Technology through its wholly owned subsidiary Sun Yun Optical.

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Our corporate structure immediately after the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):



Notes:

- (1) “—” denotes direct shareholding and “---” denotes indirect shareholding.
- (2) Please see note (2) underneath the corporate structure chart of our Group in “Corporate Structure — Our corporate structure immediately prior to the [REDACTED]” above.