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## **SUNNY OPTICAL TECHNOLOGY (GROUP) COMPANY LIMITED**

**舜宇光學科技(集團)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2382.HK)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE SUBSCRIPTION FOR 6% EQUITY INTERESTS IN THE TARGET COMPANY**

#### **THE SUBSCRIPTION**

On 24 December 2021 (after trading hours), the Subscribers entered into the Share Subscription Agreement with the Target Company and the Existing Owners, pursuant to which Sunny Zhejiang Optics and other Subscribers have agreed to subscribe for registered capital of RMB1.8 billion and RMB20.2 billion, respectively, by way of capital injection into the Target Company in the respective sums of RMB1.8 billion and RMB20.2 billion. Upon completion of the Capital Increase contemplated under the Share Subscription Agreement, Sunny Zhejiang Optics will hold 6% equity interests in the Target Company as enlarged by the Capital Increase and will become the third (3<sup>rd</sup>) largest equity owner of the Target Company.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

**As completion of the Share Subscription Agreement is subject to the fulfilment and/or waiver of certain conditions precedent set forth therein, the Subscription may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).**

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## **THE SHARE SUBSCRIPTION AGREEMENT**

### **Date**

24 December 2021 (after trading hours)

### **Parties**

- (1) the Target Company as the issuer;
- (2) Sunny Zhejiang Optics as one of the Subscribers;
- (3) Ant Group, China Cinda, Yuyue Medical, Boguan Technology and Yufu Capital as other Subscribers;  
and
- (4) Ant Group, Nanyang Commercial Bank, Cathay United Bank, Contemporary Amperex, Yuyue Medical, TransInfo Technology and China Huarong as the Existing Owners.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company, other Subscribers and the Existing Owners and their respective ultimate beneficial owners are independent of the Company and connected persons of the Company.

### **Subject matter**

Pursuant to the Share Subscription Agreement, Sunny Zhejiang Optics shall subscribe for registered capital of RMB1.8 billion, representing 6% equity interests in the Target Company as enlarged by the Capital Increase.

## **Consideration**

The consideration for the Subscription of RMB1.8 billion was determined on arm's length basis between the Group, other Subscribers and the Target Company and the unit cost of which is equivalent to (a) the unit cost paid by other Subscribers for the Capital Increase; and (b) the unit cost paid by the Existing Owners when setting up the Target Company.

The Directors intend to satisfy the consideration by internal resources of the Group. The Directors consider that the terms of the Subscription including the consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions Precedent**

Completion of the Share Subscription Agreement shall take place as soon as practicable after the following conditions precedent are fulfilled or waived by relevant party(ies):

- (a) no governmental department has formulated, promulgated, implemented or passed any law or order which will render (i) the Capital Increase and subscription illegal and/or non-compliant; or (ii) restrict or prohibit the Capital Increase and subscription in any other form;
- (b) the approval by the Existing Owners of the Capital Increase and subscription by way of shareholders' resolutions;
- (c) the internal authorisation (resolutions of the shareholders' meeting and/or meeting of board of directors) of each of the Subscribers necessary for the Capital Increase and subscription and the approval, filing, consent or recognition (if applicable) by the regulatory authorities of each of the Subscribers of its participation in the Share Subscription Agreement having been obtained;
- (d) the approval by banking authorities of the Capital Increase and subscription;
- (e) no governmental department has formulated, promulgated, implemented or passed any law or order which will render (i) the subscription by any of the Subscribers illegal and/or non-compliant; or (ii) restrict or prohibit the subscription by any of the Subscribers in any other form;
- (f) there are no existing or potential claims by any governmental department or third party against any of the Subscribers that will restrict the Subscriber's obligations under the Share Subscription Agreement or may render its participation in the Capital Increase and subscription impracticable or illegal;
- (g) the Subscribers shall have signed and delivered the Share Subscription Agreement and the amended articles of association of the Target Company; and
- (h) the statements and warranties made by the Subscribers in the Share Subscription Agreement shall remain to be true and correct in all material respects as at the date of completion.

## EFFECTS OF THE CAPITAL INCREASE ON SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

The following table illustrates the shareholding structure of the Target Company (i) as at the date of this announcement; and (ii) upon completion of the Share Subscription Agreement:

<i>Equity owner(s)</i>	<b>Shareholding structure of the Target Company as at the date of this announcement</b>		<b>Shareholding structure of the Target Company upon completion of the Share Subscription Agreement</b>	
	<i>Contribution to registered capital (RMB)</i>	<i>Equity interests (%)</i>	<i>Contribution to registered capital (RMB)</i>	<i>Equity interests (%)</i>
Ant Group	4,000,000,000	50.000	15,000,000,000	50.000
Yuyue Medical	399,200,000	4.990	1,497,000,000	4.990
Existing Owners other than Ant Group and Yuyue Medical	3,600,800,000	45.010	3,600,800,000	12.003
Subscribers other than Sunny Zhejiang Optics, Ant Group and Yuyue Medical	–	–	8,102,200,000	27.007
<b>Sunny Zhejiang Optics</b>	–	–	1,800,000,000	6.000
<b>Total:</b>	<b>8,000,000,000</b>	<b>100.000</b>	<b>30,000,000,000</b>	<b>100.000</b>

## **INFORMATION OF THE COMPANY**

The Group is principally engaged in the design, research and development, manufacture and sales of optical and optical-related products. Such products include optical components (such as glass spherical and aspherical lenses, plane products, handset lens sets, vehicle lens sets, security surveillance lens sets and other various lens sets), optoelectronic products (such as handset camera modules, three dimensional optoelectronic products, vehicle modules and other optoelectronic modules) and optical instruments (such as microscopes and intelligent inspection equipment).

## **INFORMATION OF THE OTHER SUBSCRIBERS AND THE EXISTING OWNERS**

To the best of the Directors' knowledge, information and belief, the principal business of other Subscribers are financial services, medical equipment business, software development service, asset management and investment business, respectively.

To the best of the Directors' knowledge, information and belief, the principal business of the Existing Owners are banking, financial services, medical equipment business, energy and battery, urban intelligent transportation business and asset management, respectively.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company upholds its vision of “let every serious person enjoy fair consumer finance services”, uses its intelligent business decision-making system and intelligent risk control system so as to integrate financial services into the consumption process smoothly and offers convenient, flexible, and smooth credit services.

The Target Company will uphold the technology-driven concept, serve the real economy, plough on consumer scenarios and implement inclusive finance, and, based on the commercial foundations of its equity owners in various areas such as clientele, scenarios and ecologies, develop into a leading national consumer financial institution with pioneering professional personal consumer financial services.

The Target Company is engaged in the provision of the following regulated RMB business activities: (1) provision of individual consumer loans; (2) receiving deposits from its equity owners or their respective subsidiaries in the PRC; (3) borrowing loans from financial institutions in the PRC; (4) issue financial bonds upon approval; (5) lending and borrowing between financial institutions in the PRC; (6) consumer finance-related consultancy or agency activities; (7) sale agent of consumer credit-related insurance products; (8) fixed income securities investment activities; (9) other business activities as approved by China Banking and Insurance Regulatory Commission.

Set out below is certain financial information of Target Company, as extracted from its unaudited financial statements for the period since its date of establishment on 4 June 2021 up to and including 30 September 2021:

	<b>For the period from 4 June 2021 to 30 September 2021 (RMB millions)</b>
Net profit/(loss) before taxation	(618)
Net profit/(loss) after taxation	<u>(525)</u>
	<b>As at 30 September 2021 (RMB millions)</b>
Net asset value	<u>7,475</u>

#### **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Group is principally engaged in the design, research and development, manufacture and sales of optical and optical-related products. As revealed in the latest annual report of the Company for the year ended 31 December 2020, the Group had dummy cash in the form of bank deposits or other financial assets of over HK\$10 billion. The Directors consider that the Subscription will provide the Group with the following benefits:

- (a) the Target Company is a consumer financial institution which makes use of intelligent business decision-making and risk control systems to provide consumer credit services. The above underlying capabilities of the Target Company have long-term and profound strategic significance for the Group's operations so as to further significantly improve its production and work efficiency and better serve its customers;
- (b) the Group is actively exploring the application scenarios of visual perception in the field of AIoT. The Group's optical related products for face recognition and live detection will have a large number of existing and potential business cooperation opportunities with the consumer finance scenarios of the Target Company; and
- (c) the Subscription is a long-term investment of the Group which may bring relatively better return to the Group.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

**As completion of the Share Subscription Agreement is subject to the fulfilment and/or waiver of certain conditions precedent set forth therein, the Subscription may or may not proceed. Investors should exercise caution when dealing in the Shares. If in doubt, investors are recommended to consult their professional adviser(s).**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AIoT”	Artificial Intelligence & Internet of Things
“Ant Group”	螞蟻科技集團股份有限公司(Ant Group Co., Ltd.), a joint stock limited company incorporated in the PRC whose controlling shareholders are 杭州君瀚股權投資合夥企業(有限合夥)(Hangzhou Junhan Equity Investment Management Partnership (L.P.)) (29.86%) and 杭州君澳股權投資合夥企業(有限合夥)(Hangzhou Junao Equity Investment Partnership (L.P.)) (20.66%) as at the date of this announcement
“Board”	board of Directors
“Boguan Technology”	廣州博冠信息科技有限公司(Guangzhou Boguan Telecommunication Technology Co., Ltd.), a company established in the PRC with limited liability whose controlling shareholder is NetEase, Inc., a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 9999) and NASDAQ (Stock Symbol: NTES)
“Capital Increase”	the increase in registered capital of the Target Company from RMB8 billion to RMB30 billion by means of the Share Subscription Agreement
“Cathay United Bank”	國泰世華銀行(中國)有限公司(Cathay United Bank (China) Ltd.), a company established in the PRC in 2018 with limited liability whose approved business scope includes operating foreign exchange business for various customers and RMB business for customers outside the PRC

<b>“China Cinda”</b>	中國信達資產管理股份有限公司(China Cinda Asset Management Co., Ltd.), a joint stock limited company incorporated in the PRC whose H shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1359)
<b>“China Huarong”</b>	中國華融資產管理股份有限公司(China Huarong Asset Management Co., Ltd.), a joint stock limited company incorporated in the PRC whose H shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2799)
<b>“Company”</b>	Sunny Optical Technology (Group) Company Limited (舜宇光學科技(集團)有限公司), a company incorporated in the Cayman Islands with limited liability whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2382)
<b>“connected person(s)”</b>	has the meaning ascribed to it in the Listing Rules
<b>“Contemporary Amperex”</b>	寧德時代新能源科技股份有限公司(Contemporary Amperex Technology Co., Ltd.), a joint stock limited company incorporated in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 300750)
<b>“Director(s)”</b>	Director(s) of the Company
<b>“Existing Owners”</b>	Ant Group, Nanyang Commercial Bank, Cathay United Bank, Contemporary Amperex, Yuyue Medical, TransInfo Technology and China Huarong, the existing equity owners of the Target Company as at the date of this announcement
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollar(s), the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Nanyang Commercial Bank”</b>	南洋商業銀行有限公司(Nanyang Commercial Bank, Limited), a commercial bank whose principal business and branches both are located in Hong Kong and the PRC, respectively, providing comprehensive personal and commercial banking services to individual and corporate customers
<b>“PRC”</b>	People’s Republic of China which, for the purposes of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC



<b>“Share Subscription Agreement”</b>	the share subscription agreement dated 24 December 2021 and entered into between the Subscribers, the Target Company and the Existing Owners in relation to the capital increase and subscription by the Subscribers, whereby the Subscribers will in aggregate subscribe for registered capital of RMB22 billion of the Target Company such that the registered capital of the Target Company will increase from RMB8 billion to RMB30 billion
<b>“Shareholder(s)”</b>	holder(s) of Share(s)
<b>“Shares”</b>	shares of HK\$0.10 each in the share capital of the Company
<b>“Stock Exchange”</b>	the Stock Exchange of Hong Kong Limited
<b>“Subscribers”</b>	Sunny Zhejiang Optics, Ant Group, China Cinda, Yuyue Medical, Boguan Technology and Yufu Capital. The expression <b>“Subscriber”</b> means anyone of them
<b>“Subscription”</b>	the subscription by Sunny Zhejiang Optics for registered capital of RMB1.8 billion of the Target Company, representing 6% equity interests in the Target Company as enlarged by the Capital Increase
<b>“Sunny Zhejiang Optics”</b>	浙江舜宇光學有限公司(Zhejiang Sunny Optics Co., Ltd.), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
<b>“Target Company”</b>	重慶螞蟻消費金融有限公司(Chongqing Ant Consumer Finance Co., Ltd.), a company established in the PRC with limited liability on 4 June 2021. As at the date of this announcement, the Target Company is owned by Ant Group, Nanyang Commercial Bank, Cathay United Bank, Contemporary Amperex, Yuyue Medical, TransInfo Technology and China Huarong as to 50.000%, 15.010%, 10.000%, 8.000%, 4.990%, 7.010% and 4.990%, respectively
<b>“TransInfo Technology”</b>	北京千方科技股份有限公司(China TransInfo Technology Co., Ltd.), a joint stock limited company incorporated in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 002373)
<b>“Yufu Capital”</b>	重慶渝富資本營運集團有限公司(Chongqing Yufu Capital Operation Group Co., Ltd.), a company established in the PRC with limited liability and a State-owned enterprise

**“Yuyue Medical”**

江蘇魚躍醫療設備股份有限公司 (Jiangsu Yuyue Medical Equipment and Supply Co., Ltd.), a joint stock limited company incorporated in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 002223)

“%”

per cent.

By order of the Board  
**Sunny Optical Technology (Group) Company Limited**  
**Ye Liaoning**  
*Chairman and Executive Director*

Hong Kong, 24 December 2021

*As at the date of this announcement, the Board comprises Mr. Ye Liaoning, Mr. Sun Yang and Mr. Wang Wenjie, who are executive Directors; Mr. Wang Wenjian, who is non-executive Director, and Mr. Zhang Yuqing, Mr. Feng Hua Jun and Mr. Shao Yang Dong, who are independent non-executive Directors.*

*In this announcement, the English names of certain companies are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.*