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Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2276)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

BACKGROUND

On 16 May 2023, Shanghai Conant, a subsidiary of the Company, subscribed for the Existing Product from SRCB in the principal amount of RMB5 million with the internal funds of the Group. As at the date of this announcement, the outstanding principal amount of the Existing Product is RMB5 million.

SUBSCRIPTION OF THE NEW SRCB PRODUCTS

The Board announces that on 4 July 2023, Shanghai Conant, a subsidiary of the Company, subscribed for the New SRCB Products in the aggregate principal amount of RMB160 million with the internal funds of the Group.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio in relation to the subscription of the Existing Product calculated under Chapter 14 of the Listing Rules was less than 5%, the subscription of the Existing Product did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the New SRCB Products are of similar nature as the Existing Product and subscribed from the same financial institution within a 12-month period, the corresponding principal amount of the New SRCB Products shall be aggregated with that of the Existing Product as if they were one transaction with SRCB for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated under Chapter 14 of the Listing Rules, on an aggregate basis, exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 16 May 2023, Shanghai Conant, a subsidiary of the Company, subscribed for the Existing Product from SRCB in the principal amount of RMB5 million with the internal funds of the Group. The salient terms of the subscription of the Existing Product are set out below:

The Existing Product

Date of the subscription:	16 May 2023
Name of product:	“Xinli” Series Xinzengli Issue 21357 (3 months) RMB Wealth Management Product* (“鑫利”系列鑫增利21357期(3個月)人民幣理財產品)
Administrator:	SRCB
Principal amount of the subscription:	RMB5 million
Term of product:	From 16 May 2023 to 15 August 2023. SRCB is entitled to terminate the wealth management product by five business days' notice.
Type of return and risk rating:	Non-principal guaranteed with floating return and low to medium risk
Expected annualized rate of return:	The performance will fluctuate with the market and is subject to uncertainty

Investment scope: Assets meeting regulatory requirements, mainly (i) fixed-income assets, including but not limited to various money market instruments, treasury bonds, financial bonds, central bank bills and corporate bonds; (ii) equity assets, including but not limited to stocks and stock securities investment funds; and (iii) commodity and financial derivative assets, including but not limited to commodity-type securities investment funds and gold

As at the date of this announcement, the outstanding principal amount of the Existing Product is RMB5 million.

SUBSCRIPTION OF THE NEW SRCB PRODUCTS

The Board announces that on 4 July 2023, Shanghai Conant, a subsidiary of the Company, subscribed for the New SRCB Products from SRCB in the aggregate principal amount of RMB160 million with the internal funds of the Group. The salient terms of the Subscription are set out below:

(1) SRCB’s “Xinli” Series Xinxiangli Issue 22001 (holding Yueyuexin for at least 30 days) RMB Wealth Management Product* (“鑫利”系列鑫享利22001期(最低持有30天之月月鑫)人民幣理財產品) (“Product A”)

Date of the subscription: 4 July 2023

Name of product: “Xinli” Series Xinxiangli Issue 22001 (holding Yueyuexin for at least 30 days) RMB Wealth Management Product* (“鑫利”系列鑫享利22001期(最低持有30天之月月鑫)人民幣理財產品)

Administrator: SRCB

Principal amount of the subscription: RMB60 million

Term of product: A minimum period of 30 natural days. Shanghai Conant may apply for redemption after the period. SRCB is entitled to terminate the wealth management product by five business days’ notice.

Type of return and risk rating:	Non-principal guaranteed with floating return and low to medium risk
Expected annualized rate of return:	2.2%-4.0% (non-guaranteed)
Investment scope:	Assets meeting regulatory requirements, mainly (i) fixed-income assets, including but not limited to cash, bank deposits, interbank deposits, interbank certificates of deposit, bond repurchase, currency funds, treasury bonds traded in the inter-bank market and exchange market, policy financial bonds, central bank bills, local government bonds, government-backed institutional bonds, financial bonds and corporate bonds; (ii) equity assets, including but not limited to stocks, stock securities investment funds and mixed securities investment funds; and (iii) commodity and financial derivative assets, including but not limited to commodity securities investment funds, bulk commodities, and financial derivatives

(2) SRCB’s “Xinli” Series Tiantianjin No. 1 RMB Wealth Management Product* (“鑫利”系列天天金1號人民幣理財產品) (“Product B”)

Date of the subscription:	4 July 2023
Name of product:	“Xinli” Series Tiantianjin No. 1 RMB Wealth Management Product* (“鑫利”系列天天金1號人民幣理財產品)
Administrator:	SRCB
Principal amount of the subscription:	RMB50 million
Term of product:	No fixed maturity period. Shanghai Conant is entitled to apply for redemption at any time during the term of the product. SRCB is entitled to terminate the wealth management product by five business days’ notice.

Type of return and risk rating:	Non-principal guaranteed with floating return and low to medium risk
Expected annualized rate of return:	2.0%-3.5% (non-guaranteed)
Investment scope:	Assets meeting regulatory requirements, mainly (i) fixed-income assets, including but not limited to cash, bank deposits, interbank deposits, interbank certificates of deposit, bond repurchase, currency funds, treasury bonds traded in the inter-bank market and exchange market, policy financial bonds, central bank bills, local government bonds, government-backed institutional bonds, financial bonds and corporate bonds; (ii) equity assets, including but not limited to stocks, stock securities investment funds and mixed securities investment funds; and (iii) commodity and financial derivative assets, including but not limited to commodity securities investment funds, bulk commodities, and financial derivatives

(3) SRCB’s “Xinli” Series Tiantianjin No. 2 RMB Wealth Management Product (Anxiang Fund)* (“鑫利”系列天天金2號人民幣理財產品(安享款)) (“Product C”)

Date of the subscription:	4 July 2023
Name of product:	“Xinli” Series Tiantianjin No. 2 RMB Wealth Management Product (Anxiang Fund)* (“鑫利”系列天天金2號人民幣理財產品(安享款))
Administrator:	SRCB
Principal amount of the subscription:	RMB50 million
Term of product:	No fixed maturity period. Shanghai Conant is entitled to apply for redemption during the term of the product. SRCB is entitled to terminate the wealth management product by five business days’ notice.

Type of return and risk rating:	Non-principal guaranteed with floating return and low to medium risk
Expected annualized rate of return:	The performance will fluctuate with the market and is subject to uncertainty
Investment scope:	Assets meeting regulatory requirements, mainly (i) fixed-income assets, including but not limited to cash, bank deposits, interbank deposits, interbank certificates of deposit, bond repurchase, currency funds, treasury bonds traded in the inter-bank market and exchange market, policy financial bonds, central bank bills, local government bonds, government-backed institutional bonds, financial bonds and corporate bonds; (ii) equity assets, including but not limited to stocks, stock securities investment funds and mixed securities investment funds; and (iii) commodity and financial derivative assets, including but not limited to commodity securities investment funds, bulk commodities, and financial derivatives

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirmed that the subscription amounts and terms of the New SRCB Products were determined on normal commercial terms and on an arm's length basis between the Shanghai Conant and SRCB having taken into account (i) the surplus cash reserve resources of the Group available for the purpose of cash and treasury management; (ii) the risk level, the expected investment return and the terms of the New SRCB Products; (iii) the expected rates of return of time deposits and similar wealth management and structured deposit products offered by other comparable banks then available in the market; and (iv) the level of subscription of the New SRCB Products by investors other than the Group.

The principal amount of subscription of the New SRCB Products has been funded by the internal funds of the Group.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Taking into account (i) the benefits of a better yield through the Subscription than current saving or time deposits of a short-term nature generally offered by reputable commercial banks in the PRC; (ii) the risk nature and flexible term of the New SRCB Products; and (iii) that the Subscription was funded by internal idle funds which would not affect the sufficiency of working capital of the Group nor hinder the operation of the Group's businesses, the Directors are of the view that the terms and conditions of the New SRCB Products are fair and reasonable and the Subscription is in the interest of the Group and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group and Shanghai Conant

The Group is principally engaged in the manufacture and sale of resin spectacle lenses. Shanghai Conant is a wholly-owned subsidiary of the Company and is also principally engaged in the manufacture and sale of resin spectacle lenses.

SRCB

SRCB is a company established under the laws of the PRC with limited liability. SRCB is principally engaged in commercial banking business which provides services such as accepting deposits, making loans, settlement, comprehensive financial services and other banking services.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, SRCB and its ultimate beneficial owner(s) are Independent Third Parties.

IMPLICATIONS OF THE LISTING RULES

As the highest applicable percentage ratio in relation to the subscription of the Existing Product calculated under Chapter 14 of the Listing Rules was less than 5%, the subscription of the Existing Product did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As the New SRCB Products are of similar nature as the Existing Product and subscribed from the same financial institution within a 12-month period, the corresponding principal amount of the New SRCB Products shall be aggregated with that of the Existing Product as if they were one transaction with SRCB for the purpose of calculating the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio calculated under Chapter 14 of the Listing Rules, on an aggregate basis, exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company for the purpose of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 2276)
“Director(s)”	the director(s) of the Company
“Existing Product”	the existing wealth management product subscribed by Shanghai Conant from SRCB on 16 May 2023 with the outstanding principal amount of RMB5 million, the particular of which are set out in the section headed “BACKGROUND” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New SRCB Products”	collectively, Product A, Product B and Product C

“PRC”	the People’s Republic of China which, for the purpose of this announcement, does not include Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Conant”	Shanghai Conant Optics Co., Ltd.* (上海康耐特光學有限公司), a limited liability company established in the PRC on 13 April 2011 and a wholly-owned subsidiary of the Company
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of the New SRCB Products by Shanghai Conant from SRCB
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“SRCB”	Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司), a company incorporated in the PRC with limited liability
“%”	per cent

By order of the Board
Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司
Fei Zhengxiang
Executive Director and Chairman of the Board

Hong Kong, 4 July 2023

As at the date of this announcement, the Board comprises Mr. Fei Zhengxiang, Mr. Zheng Yuhong, Mr. Xia Guoping and Mr. Chen Junhua as executive Directors; Dr. Takamatsu Ken and Ms. Zhao Xiaoyun as non-executive Directors; and Dr. Xiao Fei, Mr. Chen Yi and Mr. Jin Yiting as independent non-executive Directors.

* For identification purposes only.