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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 EQUITY INTERESTS IN THE TARGET COMPANY**

#### **THE SUBSCRIPTION**

On 28 September 2023 (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 RMB270 million and RMB4.23 billion, respectively, by way of capital injection into the Target Company in the respective sums of RMB270 million and RMB4.23 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 (3rd) 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 after aggregating with the Previous Subscription is more than 5% but less than 25%, the Subscription after aggregating with the Previous 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**

28 September 2023 (after trading hours)

### **Parties**

- (1) the Target Company as the issuer;
- (2) Sunny Zhejiang Optics as one of the Subscribers;
- (3) Ant Group, Hangzhou Jintou, Transfar Zhilian, Yuyue Medical, Boguan Technology and Chongqing Yufu as other Subscribers; and
- (4) Ant Group, Hangzhou Jintou, Sunny Zhejiang Optics, Nanyang Commercial Bank, Transfar Zhilian, Cathay United Bank, Contemporary Amperex, Boguan Technology, Yuyue Medical, TransInfo Technology, Chongqing Nongxin Investment 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 RMB270 million, representing approximately 1.17% equity interests in the Target Company as enlarged by the Capital Increase.

### **Consideration**

The consideration for the Subscription of RMB270 million 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 subscribers in the Previous Subscription.

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 in writing 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 Capital Increase and subscription 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 noncompliant; 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;
- (h) as at the date of completion, 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 and shall have the same force and effect as if they have been made on the date of completion;
- (i) the Target Company shall have signed and delivered the Share Subscription Agreement to the Subscribers; and
- (j) as at the date of completion, the statements and warranties made by the Target Company in the Share Subscription Agreement shall remain to be true and correct in all material respects and shall have the same force and effect as if they have been made on 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	9,250,000,000	50.000	11,500,000,000	50.000
Existing Owners other than the Subscribers	3,821,295,652	20.660	3,821,295,652	16.615
Other Subscribers other than Ant Group, Sunny Zhejiang Optics and Chongqing Yufu	4,318,704,348	23.340	5,369,200,000	23.344
Chongqing Yufu	–	–	929,504,348	4.041
<b>Sunny Zhejiang Optics</b>	<b>1,110,000,000</b>	<b>6.000</b>	<b>1,380,000,000</b>	<b>6.000</b>
<b>Total:</b>	<b>18,500,000,000</b>	<b>100.000</b>	<b>23,000,000,000</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 vehicle lens sets, optical parts of vehicle light detection and ranging, virtual reality positioning lens sets, handset lens sets, glass spherical lenses for digital cameras and other optical components), optoelectronic products (such as vehicle modules, virtual reality folded path modules, virtual reality visual modules, handset camera modules and other optoelectronic modules) and optical instruments (such as intelligent inspection equipment and microscopes).

## **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, digital technology, logistics and chemical business, investment financing and consulting services, 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 driven by Fintech and 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 and 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. (For projects which require approval under the law, business activities can only be carried out after obtaining approval from relevant authorities, and specific business projects shall be subject to the approval documents or permits from relevant authorities.)

Set out below is certain financial information of Target Company, as extracted from its audited financial statements for the period since its date of establishment on 4 June 2021 up to and including 31 December 2022 and its unaudited financial statements for the period from 1 January 2023 to 30 June 2023:

	<b>For the period from 1 January 2023 to 30 June 2023 (RMB millions) (unaudited)</b>	<b>For the period from 1 January 2022 to 31 December 2022 (RMB millions) (audited)</b>	<b>For the period from 4 June 2021 to 31 December 2021 (RMB millions) (audited)</b>
Net profit/(loss) before taxation	523	983	(1,254)
Net profit/(loss) after taxation	445	841	(1,066)
	<b>As at 30 June 2023 (RMB millions) (unaudited)</b>	<b>As at 31 December 2022 (RMB millions) (audited)</b>	<b>As at 31 December 2021 (RMB millions) (audited)</b>
Net asset value	18,721	7,776	6,934

## **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 interim report of the Company for the six months ended 30 June 2023, the Group had dummy cash in the form of bank deposits or other financial assets of over HK\$20 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 financial return to the Group.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription after aggregating with the Previous 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.)) and 杭州君澳股權投資合夥企業(有限合夥) (Hangzhou Junao Equity Investment Partnership (L.P.)), holding more than approximately 50% of its shareholding in total 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 RMB18.5 billion to RMB23.0 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
“China Huarong”	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)

“Chongqing Nongxin Investment”	重慶市農信投資集團有限公司 (Chongqing Nongxin Investment Group Co., Ltd.), a company established in the PRC with limited liability, whose controlling shareholder is Chongqing Supply & Marketing Holding (Group) Co., Ltd. (重慶供銷控股(集團)有限公司), holding 100% of its shareholding as at the date of this announcement
“Chongqing Yufu”	重慶渝富華貿國有資產經營有限公司 (Chongqing Yufu Huamao State-owned Assets Management Limited), a State-owned enterprise
“Company”	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)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Contemporary Amperex”	寧德時代新能源科技股份有限公司 (Contemporary Amperex Technology Co., Limited), a joint stock limited company incorporated in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 300750)
“Director(s)”	director(s) of the Company
“Existing Owners”	Ant Group, Hangzhou Jintou, Sunny Zhejiang Optics, Nanyang Commercial Bank, Transfar Zhilian, Cathay United Bank, Contemporary Amperex, Boguan Technology, Yuyue Medical, TransInfo Technology, Chongqing Nongxin Investment and China Huarong, the existing equity owners of the Target Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hangzhou Jintou”	杭州金投數字科技集團有限公司 (Hangzhou Jintou Digital Technology Group Co., Ltd.), a company established in the PRC with limited liability, whose controlling shareholder is 杭州市金融投資集團有限公司 (Hangzhou Financial Investment Group Company Limited), directly and indirectly through a wholly-owned subsidiary holding a total of 100% of its shareholding as at the date of this announcement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanyang Commercial Bank”	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 Mainland of the PRC, respectively, providing comprehensive personal and commercial banking services to individual and corporate customers

“PRC”	People’s Republic of China which, for the purposes of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Previous Subscription”	the subscription for registered capital of RMB10.5 billion of the Target Company by certain subscribers including Sunny Zhejiang Optics as announced by the Company in the announcements of the Company dated 14 November 2022 and 11 January 2023, respectively
“RMB”	Renminbi, the lawful currency of the PRC
“Share Subscription Agreement”	the share subscription agreement dated 28 September 2023 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 RMB4.5 billion of the Target Company such that the registered capital of the Target Company will increase from RMB18.5 billion to RMB23 billion
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscribers”	Sunny Zhejiang Optics, Ant Group, Hangzhou Jintou, Transfar Zhilian, Yuyue Medical, Boguan Technology and Chongqing Yufu. The expression “Subscriber” means anyone of them
“Subscription”	the subscription by Sunny Zhejiang Optics for registered capital of RMB270 million of the Target Company, representing approximately 1.17% equity interests in the Target Company as enlarged by the Capital Increase
“Sunny Zhejiang Optics”	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
“Target Company”	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, Hangzhou Jintou, Nanyang Commercial Bank, Sunny Zhejiang Optics, Transfar Zhilian, Yuyue Medical, Cathay United Bank, Contemporary Amperex, Boguan Technology, TransInfo Technology, China Huarong and Chongqing Nongxin Investment as to 50.000%, 10.000%, 6.491%, 6.000%, 5.010%, 4.990%, 4.324%, 3.460%, 3.344%, 3.031%, 2.158% and 1.192% respectively
“Transfar Zhilian”	傳化智聯股份有限公司 (Transfar Zhilian Co., Ltd.), a joint stock limited company incorporated in the PRC whose shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 002010)

“TransInfo Technology”	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)
“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*

China, 28 September 2023

*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, Mr. Shao Yang Dong and Ms. Jia Lina, who are independent non-executive Directors.*

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