

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.

Neither this announcement nor any copy thereof may be released into or distributed directly or indirectly in the United States or any other jurisdiction where such release or distribution might be unlawful.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “U.S. Securities Act”) and may not be offered or sold in the United States unless registered under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, registration under the U.S. Securities Act. The Company has no intention to register under the U.S. Securities Act any of the securities referred to herein or to conduct a public offering of securities in the United States.



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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

ICBC  工银国际

On 22 December 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, and the Placing Agent has conditionally agreed, as agent of the Company, to procure the Placee to subscribe for 53,325,000 Placing Shares at the Placing Price of HK\$15.86 per Placing Share. The Placee and its ultimate beneficial owners are Independent Third Parties. As at the date of this announcement, it is expected that all the Placing Shares will be placed to the Placee.

The 53,325,000 Placing Shares represent: (a) approximately 12.50% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 11.11% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue of the Placing Shares).

The Placing Price of HK\$15.86 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 19.98% to the closing price of HK\$19.82 per Share as quoted on the Stock Exchange on 20 December 2024, being the trading day immediately preceding the date of the Placing Agreement; and (ii) a discount of approximately 6.40% to the average closing price of approximately HK\$16.94 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that all Placing Shares are placed, the gross proceeds from the Placing are expected to be HK\$845,734,500, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK\$827,930,000. The net proceeds from the Placing is expected to be utilised for the research, development, design and manufacturing of lenses and vision solutions for smart glasses and XR headsets.

The Placing is conditional upon, among others, the Listing Committee granting the approval for the listing of, and permission to deal in, the Placing Shares (and such approval not being subsequently revoked).

Shareholders and potential investors should note that Completion is conditional upon fulfilment of the Conditions set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

On 22 December 2024, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, and the Placing Agent has conditionally agreed, as agent of the Company, to procure the Placee to subscribe for 53,325,000 Placing Shares at the Placing Price of HK\$15.86 per Placing Share. The Placee and its ultimate beneficial owner are Independent Third Parties.

THE PLACING AGREEMENT

The principal terms and conditions of the Placing Agreement are as follows:

Date

22 December 2024

Parties

- (1) the Company; and
- (2) the Placing Agent.

The Placing

Subject to the terms and conditions of the Placing Agreement, the Placing Agent has agreed to, as the sole placing agent of the Company, procure the Placee to subscribe for 53,325,000 Placing Shares at HK\$15.86 per Placing Share.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Number of the Placing Shares

The Placing Agent has conditionally agreed to act as agents of the Company to procure, on a best effort basis, the Placee (who and whose ultimate beneficial owners and parties acting in concert with it are Independent Third Parties) to subscribe for 53,325,000 new Shares at the Placing Price (excluding brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee), upon the terms and subject to the conditions set out in the Placing Agreement.

Assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue of the Placing Shares, the Placing Shares represent approximately: (a) 12.50% of the existing issued share capital of the Company as at the date of this announcement; and (b) 11.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Rights of the Placing Shares

Upon issuance, the Placing Shares will rank *pari passu* in all respects among themselves and with the other existing Shares in issue or to be issued by the Company on or prior to the Completion Date, including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Placee

The Placing Shares will be offered by the Placing Agent to the Placee (who and whose ultimate beneficial owners and parties acting in concert with them are Independent Third Parties). As at the date of this announcement, it is expected that all the Placing Shares will be placed to one Placee only, and upon Completion, the Placee will become a substantial shareholder (within the meaning ascribed to it under the Listing Rules) of the Company. The Placee is an indirect wholly owned subsidiary of Goertek Inc., being a joint stock company established in the PRC with limited liability, with its issued shares listed on the Shenzhen Stock Exchange (stock code: 002241).

Placing Price

The Placing Price is HK\$15.86 per Placing Share and represents:

- (i) a discount of approximately 19.98% to the closing price of HK\$19.82 per Share as quoted on the Stock Exchange on the trading day immediately preceding the date of the Placing Agreement; and
- (ii) a discount of approximately 6.40% to the average closing price of approximately HK\$16.94 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The net placing price (after deducting the costs and expenses of the Placing) is approximately HK\$15.53 per Placing Share. Based on a nominal value of RMB1.00 per Share, the aggregate nominal value of the Placing Shares is RMB53,325,000.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares, the number of Placing Shares to be subscribed, and the position of the Placee as a strategic investor of the Company.

Conditions of the Placing

The Completion is conditional upon the satisfaction of the following Conditions:

- (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing approval not being subsequently revoked);
- (b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained;
- (c) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Completion Date;
- (d) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with and satisfied under the Placing Agreement on or before the Completion Date; and
- (e) the Placing Agent having received on the Completion Date the relevant legal opinions and other documentation as set out in the Placing Agreement.

The Company shall use its best endeavours to procure the fulfillment of the Conditions and in the event the Conditions referred to above are not fulfilled by 13 January 2025 (or such later date as may be agreed by the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties under the Placing Agreement shall cease and determine and neither of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Completion

Completion of the Placing shall take place within three (3) Business Days after the day on which the conditions as set out in the paragraph headed “Conditions of the Placing” above are fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing).

Termination

The Placing Agent may, by giving a written notice to the Company at any time prior to 8:00 a.m. on the Completion Date, terminate the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business, financial or trading position or prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group or any Director or senior management of the Company, which has or may have an adverse effect on the business, financial or trading position or prospects of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

- (vi) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement, the Placing Agreement shall thereupon cease to have effect and neither of the parties shall have any claims against the other in respect of the Placing save for any rights or obligations which may accrue under the Placing Agreement prior to such termination.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

As disclosed in the Company's poll results announcement dated 4 June 2024, the grant of the General Mandate was approved by the Shareholders at the annual general meeting of the Company held on 4 June 2024. Under the General Mandate, the Company is authorised to issue up to 85,320,000 Shares.

As of the date of this announcement, no new Share has been allotted and issued under the General Mandate. The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing spectacle lens in the PRC with the production facilities in three production bases, namely the Shanghai production base, the Jiangsu production base and the Sabae production base.

The Placee is principally engaged in trading and investment holding, and is an indirect wholly owned subsidiary of Goertek Inc., a company listed on the Shenzhen Stock Exchange (stock code: 002241). Its main business is categorized into the industry of the manufacturing of computer, communication and other electronic devices, and is divided into three product segments: precision component, smart audio device and smart hardware. Goertek Inc. mainly focuses in consumer electronics and automotive electronics industries, and provides a range of products including acoustics, optics, microelectronics and structural precision components, as well as smart hardware products such as virtual reality (VR)/mixed reality (MR)/ augmented reality (AR) products, TWS (True Wireless Stereo) smart earphones, smart wearable devices, gaming console and accessories and smart home products. Goertek Inc. serves global leading clients in the technology and consumer electronics industry with vertically integrated product solutions of precision components and smart hardware, as well as research and development and manufacturing services.

The Directors consider that the Placing represents an opportunity to broaden the shareholder base and capital base of the Company, enhance the strategic relationship between the Group and the Goertek Inc., and bring more business development opportunities and cooperation with Goertek Inc. to the Company.

Assuming that all Placing Shares are placed, the gross proceeds from the Placing are expected to be HK\$845,734,500, and the net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees) are expected to be approximately HK\$827,930,000, representing a net issue price of approximately HK\$15.53 per Placing Share.

The net proceeds from the Placing is expected to be utilised for the research, development, design and manufacturing of lenses and vision solutions for smart glasses and XR headsets.

The Directors (including the independent non-executive Directors) consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming that all of the 53,325,000 Placing Shares will be placed in full and there will be no change in the issued share capital of the Company between the date of this announcement and the Completion) are set out below:

	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of shares</i>	<i>Approximate %</i>
Director				
Mr. Fei Zhengxiang	212,740,030	49.87%	212,740,030	44.33%
Public Shareholders				
The Placee	–	–	53,325,000	11.11%
Other public Shareholders	213,859,970	50.13%	213,859,970	44.56%
Total	426,600,000	100%	479,925,000	100%

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not conduct any fundraising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

Shareholders and potential investors should note that Completion is conditional upon fulfilment of the Conditions set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as set forth below:

“AFRC”	Accounting and Financial Reporting Council
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Shanghai Conant Optical Co., Ltd, a company established in the PRC with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2276)
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	within third Business Day after the fulfillment of the Conditions (or such other date and place as the Company and the Placing Agent may agree in writing)
“Condition(s)”	the conditions precedent set out in the Placing Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the Company’s annual general meeting held on 4 June 2024 to allot, issue and deal with up to 20% of the then issued Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and not acting in concert with any of the connected persons of the Company or any of their respective associates
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on Main Board of the Stock Exchange
“Placee”	Goertek (HongKong) Co., Limited, a company incorporated in Hong Kong with limited liability
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee upon the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	ICBC International Securities Limited, a licensed corporation to carry out businesses in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 22 December 2024 entered into between the Company and the Placing Agent in relation to the Placing

“Placing Price”	HK\$15.86 per Placing Share (exclusive of any brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 53,325,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary H shares of RMB1.00 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Shanghai Conant Optical Co., Ltd.
Fei Zhengxiang
Chairman

Hong Kong, 23 December 2024

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