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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
INVESTMENT IN FUND**

On January 3, 2022, the Company, as the Subscriber, applied to subscribe for Class A Shares of the Fund at the amount of US\$7.5 million, on the terms and conditions of the Private Placement Memorandum. The Subscription Amount will be funded with the internal resources of the Group.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the Subscription exceeds 5% but are less than 25%, the Subscription constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

BACKGROUND

On January 3, 2022, the Company, as the Subscriber, applied to subscribe for Class A Shares of the Fund at the amount of US\$7.5 million. The Subscription Amount will be funded with the internal resources of the Group.

TERMS OF THE FUND

Principal terms of the Fund under the Private Placement Memorandum are set out as below:

- Name of the Fund : Viner Total Investments Fund
- Subscription Amount : US\$7.5 million, which is payable in cash
- Class of shares to be subscribed : Class A Shares
- Number of Class A Shares to be subscribed : 7,500 Class A Shares
- Issue price per Class A Share : The initial subscription price for the application made by the Subscriber is US\$1,000 per Class A Share (exclusive of any subscription fee).
- Expected rate of return of the Subscriber : The Fund does not provide guarantee to capital protection and minimum return. Based on the historical performance of the Fund as mentioned under “Information of the Fund” below, after taking into consideration of the current global markets and economic outlook, as well as the introduction of the Fund by the Investment Manager, it is expected that the capital appreciation of the Fund will be approximately 20% to 30% per annum.
- The expected rate of return of the Subscriber represents the capital appreciation of the Fund and the number of Class A Shares subscribed by the Company, after deducting all relevant fees and expenses under the Private Placement Memorandum, upon the redemption of such Class A Shares by the Company.
- Lock-up period and redemption : Class A Shares to be subscribed by the Subscriber will be subject to a lock-up period of twelve months from the date of issue. After the end of the lock-up period, they will be redeemable at the option of the Subscriber on any Redemption Day.

Investment objective : The Fund will seek to achieve the investment objective by investing in a wide range of instruments, including but not limited to listed and unlisted equities, preferred stocks, convertible securities, equity-related instruments, debt securities and obligations (which may be below investment grade) and other derivative instruments. The investment objective of the Fund is to maximize total investment return.

Fees, charges and expenses : A subscriber for the Class A Shares may be required to pay a subscription fee of up to 1% of the Subscription Amount.

The Investment Manager will receive from the Fund a management fee of one-twelfth of 1% per month of the net asset value of the Fund pursuant to the Private Placement Memorandum. The management fee will be payable as soon as reasonably practicable after the end of each month.

The Investment Manager will also be entitled to receive a performance fee from the Fund. For each Calculation Period, the performance fee will be equal to 20% of the appreciation in the net asset value of the Series (adjusted for any redemptions and distributions) pursuant to the Private Placement Memorandum. The performance fee will be payable in arrears as soon as reasonably practicable after the end of each Calculation Period.

Dividend policy : It is not envisaged that any income or gains will be distributed by the Fund by way of dividend. This does not preclude the directors of the Fund from declaring a dividend at any time in the future if they consider it appropriate to do so. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws.

INFORMATION OF THE FUND

The Fund is an exempted company incorporated with limited liability in the Cayman Islands in June 2020 as an open-ended investment company. The Fund commenced since its incorporation, and is open to Eligible Investors. The Fund objects, which are set out in its memorandum of association, are unrestricted and so include the carrying on of the business of an investment company. The authorized share capital of the Fund is US\$50,000 being made up of 100 Management Shares of US\$1.00 each and 49,900,000 Participating Shares of US\$0.001 each. The Management Shares, which are the voting shares in the Fund, are held by Chen Hua, an Independent Third Party. In relation to the track record on the performance of the fund, from July 2020 to December 2020, the Fund realized a capital appreciation of approximately 28%.

As of November 10, 2021, the breakdown of the investment distribution of the Fund was as follows:

Types of instrument/Industry	Approximate percentage of investment (%)
Bond miscellaneous construction	10%
Bond domestic & commercial construction	19%
Bond real estate investment & services	1%
Bond pharmaceutical and biotechnology	5%
Equity aerospace & defense	1%
Equity capital markets	3%
Equity pharmaceutical and biotechnology	30%
Equity semiconductor equipment and materials	1%
Equity software & computer services	6%
Equity real estate services	3%
Fund investment cybersecurity	1%
Fund investment food technology	1%
Fund investment pharmaceutical & biotechnology	4%
Fund investment segregated portfolio company	15%

The Investment Manager of the Fund is Matrix Asset Management Limited (矩陣資產管理有限公司), a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Further, the directors of the Fund, who are responsible for the overall management and control of the Fund in accordance with the Fund's articles, have extensive industrial experience in hedge fund, fund operations, investments and finance and accounting.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fund, the Investment Manager and their respective ultimate beneficial owners are Independent Third Parties and not connected with the Group.

INFORMATION OF THE GROUP AND THE SUBSCRIBER

The Company, which is the Subscriber, is principally engaged in investment holding.

The Group is principally engaged in the production and sales of the standardized and customized lenses.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Upon completion of its listing on the Stock Exchange on December 16, 2021, the Company's cash position became stronger as a result of the proceeds received. As mentioned in the Prospectus, the Company may from time to time make investments in suitable financial products by using its idle cash to optimize its usage of working capital based on the Company's treasury policy at an appropriate time. The Company confirms that the idle cash used for the purpose of the Subscription was not from the proceeds receiving from its listing, and is in line with the Company's treasury policy. As such, the entering into of the Subscription will enable the Group to make better use of its idle funds and create better return, whilst not causing any material impact on the operations of the Group nor the business plan as disclosed in the Prospectus. Further, (i) with reference to the investment objective of the Fund and the extensive experience and skills of the directors of the Fund and the Investment Manager; and (ii) in consideration of the historical performance of the Fund and the diverse nature of its investment portfolio, the Directors believe that the Subscription will enable the Group to capture investment opportunities with manageable risk, diversify the Group's investment portfolio and enhance the value of the Group.

The Subscription Amount was determined after arm's length negotiation between the Company and the Fund on normal commercial terms. Based on the reasons as set out above, the Directors consider that the terms of the Private Placement Memorandum are fair and reasonable and the Subscription is in the interest of the Company and Shareholders as a whole.

ACCOUNTING TREATMENT OF THE SUBSCRIPTION

It is expected that the Subscription will be accounted for as a long-term investment under the non-current assets of the consolidated statement of financial position of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the Subscription exceeds 5% but are less than 25%, the Subscription constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement 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:

“Business Day”	any day (other than Saturday and Sunday) on which banks are open for normal banking business in Hong Kong and/or such date or dates as the directors of the Fund may from time to time determine provided that where, as a result of a number 8 or higher typhoon signal, black rainstorm warning or similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the directors of the Fund otherwise determine
“Calculation Period”	a period of 12 months commencing on each 1 January, provided that the first Calculation Period in respect of any series of the Fund will be provided commencing on the date such series is issued and ending on the next following 31 December
“Class A Share(s)”	A Participating Share designated as a Class A Shares of the Fund
“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 People’s Republic of China 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
“Eligible Investor(s)”	a person to whom the Fund can lawfully make an invitation to subscribe for Participating Shares without compliance with any registration or other legal requirements, who is able to acquire and hold Participating Shares without breaching applicable laws, and who satisfies such additional eligibility requirements as may be determined by the directors of the Fund from time to time
“Fund”	Viner Total Investments Fund
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“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)
“Investment Manager”	Matrix Asset Management Limited (矩陣資產管理有限公司, formerly known as Fulixin Global Wealth Management Limited (富力鑫環球財富管理有限公司))
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Share(s)”	a non-participating, non-redeemable, voting share in the capital of the Fund
“Participating Share(s)”	a participating, redeemable, non-voting share in the capital of the Fund being offered under the terms of the Private Placement Memorandum
“Private Placement Memorandum”	the private placement memorandum issued by the Fund and the Investment Manager in relation to the offering of the Class A Shares in the Fund
“Prospectus”	the prospectus of the Company dated November 30, 2021
“Redemption Day”	the first Business Day of each month and/or such other day or days as the directors of the Fund may from time to time determine
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	the Company
“Subscription”	the subscription by the Subscriber for the Class A Shares at Subscription Amount
“Subscription Amount”	the subscription amount of US\$7.5 million
“US\$”	United States dollars, the lawful currency of the United States of America

“%”

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, January 3, 2022

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 as non-executive Director; and Dr. Xiao Fei, Mr. Chen Yi and Mr. Jin Yiting as independent non-executive Directors.