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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sunny Optical Technology (Group) Company Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) PROPOSED ADOPTION OF THE 2026 SHARE AWARD SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Hong Kong on Wednesday, 27 May 2026 at 11:00 a.m. is set out on pages 31-33 of this circular. A form of proxy for the EGM is enclosed herewith. Such form of proxy is also published on the website of the Stock Exchange at www.hkex.com.hk.

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy and return it to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

24 April 2026

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DEFINITIONS

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

“2026 Share Award Scheme”	means the new share award scheme proposed to be adopted by the Company at the EGM, a summary of the principal terms of which is set out in the Appendix to this circular;
“Adoption Date”	means 27 May 2026 (the date on which the 2026 Share Award Scheme is approved and adopted by the Shareholders at the EGM);
“Appendix”	means the appendix with the summary of the principal terms of the 2026 Share Award Scheme as set out in pages 19-30 to this circular;
“Articles” or “Articles of Association”	means the articles of association of the Company, as amended from time to time;
“Board”	means the board of Directors;
“Business Day”	means a day (other than Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business;
“Company”	means 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);
“Directors”	means the directors of the Company;
“EGM”	means the extraordinary general meeting of the Company to be convened and held on Wednesday, 27 May 2026 at 11:00 a.m. or any adjournment thereof (as the case may be), the notice of which is set out on pages 31-33 of this circular;

DEFINITIONS

“Employee Participant(s)”	means any Directors and employees of the Company or any of its subsidiaries (including persons who are granted awards under the 2026 Share Award Scheme as an inducement to enter into employment contracts with the Company);
“Grant(s)”	means the grant of Grant Shares by the Scheme Administration Committee under which such Grant Shares may be vested in accordance with the terms of the 2026 Share Award Scheme;
“Grant Date”	means the date of Grant to the Selected Participant;
“Grant Shares”	means the Shares granted or to be granted to a Selected Participant pursuant to a Grant;
“Group”	means the Company and the Subsidiaries from time to time and the expression “member of the Group” shall be construed accordingly;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Branch Share Registrar”	means Computershare Hong Kong Investor Services Limited;
“Latest Practicable Date”	means 20 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Remuneration Committee”	means the remuneration committee of the Board;
“Restricted Share Award Scheme”	means the share award scheme adopted by the Company on 22 March 2010, which was amended and restated on 26 May 2015, 16 March 2020 and 7 June 2024, and shall expire on 22 March 2030;

DEFINITIONS

“Scheme Administration Committee”	means the Remuneration Committee, independent non-executive Directors and senior management of the Company which shall include the chief executive officer, the company secretary(ies), the head of human resources department and the head of finance department of the Company, delegated with the power and authority by the Board to administer the 2026 Share Award Scheme;
“Scheme Limit”	has the meaning ascribed to such term in paragraph 1 in the section headed “4. SCHEME LIMIT AND REFRESHMENT” in the Appendix;
“Scheme Period”	means the period of ten (10) years commencing from the Adoption Date and ending on the 10th anniversary of the Adoption Date;
“Selected Participant(s)”	means any (a) Employee Participant or (b) Service Provider Participant selected by the Scheme Administration Committee to be awarded the Grant in accordance with the terms of the 2026 Share Award Scheme;
“Service Provider Participant(s)”	means any person who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group including independent service providers, consultants, suppliers and agents and contractors where the continuity and frequency of their services are akin to those of employees, but does not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;
“Service Provider Sublimit”	has the meaning ascribed to such term in paragraph 2 in the section headed “4. SCHEME LIMIT AND REFRESHMENT” in the Appendix;
“Share(s)”	means shares(s) with a par value of HK\$0.10 each (or such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company;

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“Shareholder(s)”	means the holder(s) of Shares;
“Subsidiary”	means a subsidiary of the Company and “subsidiaries” shall be construed accordingly;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Trust”	means the trust constituted by the Trust Deed to service the 2026 Share Award Scheme;
“Trustee”	means BOCI Trustee (Hong Kong) Limited, being the trustee resolved by the Board and to be appointed for the time being, of the Trust or any additional or replacement trustee(s);
“Trust Deed”	means the trust deed of the Trust made between the Company and the Trustee in relation to the 2026 Share Award Scheme (as restated, supplemented and/or amended from time to time); and
“Vesting Period”	means the period between two (2) to five (5) years which shall have been passed before any Grant Share is vested in the Selected Participant.

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Wang Tan Jiong (*Chairman*)
Mr. Wang Wenjie (*Chief Executive Officer*)
Mr. Ni Wenjun

Non-executive Director

Mr. Wang Wenjian (*Honorary Chairman*)

Independent non-executive Directors

Mr. Feng Hua Jun
Mr. Chen Gang
Ms. Thoeng Wai Yee Cheryl
Ms. Ching Wan Fung

Registered Office

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P.O. Box 2681, George Town
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong*

Unit 2304-5, 23/F, Henley Building
5 Queen's Road Central
Hong Kong

24 April 2026

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE 2026 SHARE AWARD SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 20 March 2026. At the EGM, resolutions will be proposed to adopt the 2026 Share Award Scheme and approve and adopt the Service Provider Sublimit.

The purpose of this circular is to give you further details on the resolutions to be proposed at the EGM regarding, among other things, (a) the proposed adoption of the 2026 Share Award Scheme, (b) the proposed Service Provider Sublimit, and to give you the notice of the EGM. In compliance with the Listing Rules, this circular also contains an explanatory statement and gives all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions to approve the proposed adoption of the 2026 Share Award Scheme and the Service Provider Sublimit.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE 2026 SHARE AWARD SCHEME

1. Restricted Share Award Scheme

The Restricted Share Award Scheme was adopted by the Company on 22 March 2010, which was amended and restated on 26 May 2015, 16 March 2020 and 7 June 2024, and will expire on 22 March 2030. The Restricted Share Award Scheme is managed by its administration committee and the trustee of the Restricted Share Award Scheme trust of the Company. Pursuant to the Restricted Share Award Scheme, the Directors, employees, senior staff, agents and consultants of the Company and its subsidiaries are entitled to participate in the Restricted Share Award Scheme.

Pursuant to Restricted Share Award Scheme, the maximum number of Shares which may be granted under the Restricted Share Award Scheme is 100,000,000 Shares, being 10% of the Shares in issue as at the adoption date of the Restricted Share Award Scheme (i.e., 22 March 2010). On 7 June 2024, the maximum number of Shares which may be granted under the Restricted Share Award Scheme had been refreshed and amended to 20,000,000 Shares. As at the Latest Practicable Date, 4,045,828 Shares have been granted, 240,029 Shares granted have lapsed, 2,631,052 Shares granted are unvested, and the total number of Shares available for grant is 16,194,201, representing approximately 1.50% of the Shares in issue (excluding treasury Shares).

The Restricted Share Award Scheme does not involve the grant of awards by the Company over new Shares or treasury Shares and is only funded by existing Shares. Accordingly, the Restricted Share Award Scheme is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

Despite the Restricted Share Award Scheme, the Company proposes to adopt the 2026 Share Award Scheme pursuant to Chapter 17 of the Listing Rules. The Company considers that the adoption of the 2026 Share Award Scheme is necessary and critical to the long-term development of the Company to retain, incentivize and reward Selected Participants for their contributions to the Group, aligning their interests directly to the Shareholders through ownership of Shares and enhance the Group's competitiveness by retaining the Selected Participants.

Save for the Restricted Share Award Scheme, which will expire on 22 March 2030, and the proposed 2026 Share Award Scheme, the Company has no other schemes as at the Latest Practicable Date.

2. Proposed Adoption of the 2026 Share Award Scheme

For the purpose of Chapter 17 of the Listing Rules, the 2026 Share Award Scheme will constitute a share scheme involving the grant of awards by the Company over existing Shares, new Shares and treasury Shares. The provisions of the 2026 Share Award Scheme will comply with the requirements of Chapter 17 of the Listing Rules and accordingly, the adoption of the 2026 Share Award Scheme will be subject to, among others, the Shareholders' approval at the EGM.

LETTER FROM THE BOARD

The conditions of the 2026 Share Award Scheme are set out in the section headed “17. CONDITIONS OF THE 2026 SHARE AWARD SCHEME” in the Appendix hereto. The 2026 Share Award Scheme shall become effective upon fulfilment of the following conditions:

- (a) the passing of ordinary resolutions by the Shareholders at a general meeting to approve the adoption of the 2026 Share Award Scheme and the Service Provider Sublimit; and
- (b) the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued by the Company in respect of the Grants in accordance with the terms and conditions of the 2026 Share Award Scheme.

3. Purposes of the 2026 Share Award Scheme

The purposes of the 2026 Share Award Scheme are set out in the section headed “1. PURPOSES OF THE 2026 SHARE AWARD SCHEME” in the Appendix hereto. The purposes of the 2026 Share Award Scheme are to:

- (a) provide the Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (b) encourage and retain the Selected Participants to work with the Company;
- (c) provide additional incentives to the Selected Participants to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company; and
- (d) align the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

The Selected Participants who are provided the opportunity to acquire proprietary interests in the Company would have their interests directly aligned with the Shareholders through ownership of the Shares. This may encourage Selected Participants to promote long term growth of the Group, as the Selected Participants would benefit from better performance of the Share price and potential dividend distribution by the Company.

The Grants to Selected Participants serve as an acknowledgement to the Selected Participants’ contributions and will strengthen their sense of belonging and loyalty to the Group. Further, the 2026 Share Award Scheme prescribes a vesting schedule of two (2) to five (5) years and accordingly, the Selected Participants are encouraged to continue employment or contract with the Company throughout the Vesting Period. This allows the Company to retain exceptional and important Selected Participants whose performance and contribution to the Group are beneficial to the Group’s long term development.

Pursuant to the 2026 Share Award Scheme, factors that the Scheme Administration Committee considers for determining the eligibility, among others, include contribution, performance and quality of work or services (as the case may be) of the Employee Participants

LETTER FROM THE BOARD

and Service Provider Participants. Accordingly, the Employee Participants and Service Provider Participants would be incentivised to better perform in order to achieve the objectives of increasing value of the Company (i.e., better quality of work, contribution to the Group's business or projects, or efficient and exceptional service), for him/her to be selected by the Scheme Administration Committee for the Grants.

In light of the above, the Board considers that the Grants to Selected Participants can achieve the purposes of the 2026 Share Award Scheme as this serves as a clear signal to the Selected Participants that sustained contribution and alignment with the Group's values will be recognised, thereby supporting long-term value creation for the Group and its stakeholders.

The Board has also considered that equity-based incentives offer distinct advantages for the Company's long-term objectives as alternative cash incentives may adversely affect the cash reserves of the Company which could otherwise be spent on business operation, development and debt reduction of the Company. Further, cash incentives are "one-off" incentives which may not encourage Selected Participants to continue employment with or service to the Group in the long term.

4. Eligibility of the Selected Participants

The criteria for determination of the eligibility of Selected Participants are set out in the section headed "2. ELIGIBILITY OF THE SELECTED PARTICIPANTS" in the Appendix hereto.

Employee Participants

In determining the eligibility of Employee Participants, the Scheme Administration Committee shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the Employee Participant with reference to the individual's documented performance, key achievements made, and potential contribution and positive impact of the Employee Participant to the success and long term development of the Group;
- (b) the experience, qualification, and position of the Employee Participant with reference to the Employee Participant's skills, leadership capabilities, length of service and level of responsibilities in relation to the Group's business;
- (c) the quality of work of the Employee Participant performed for the Group;
- (d) the general financial condition of the Group with reference to its recent performance, cash flow, balance sheet assessment and financial objectives; and
- (e) any other matter which the Scheme Administration Committee considers relevant such as the current remuneration packages of the Employee Participant and initiative and commitment of the Employee Participant in performing his/her duties and responsibilities.

LETTER FROM THE BOARD

The scope of Employee Participants includes Directors, and the Directors are subject to the same assessing criteria as set out above for Employee Participants. Further, the Grants to Directors are subject to the following requirements:–

- (a) the Grant must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Grant);
- (b) where any Grant to a Selected Participant who is a Director (other than an independent non-executive Director) or any of their associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the 2026 Share Award Scheme) to such Selected Participant in the 12-month period up to and including the date of such Grant, representing in aggregate over 0.1% of the Shares in issue (excluding treasury Shares), such further Grant must be approved by Shareholders in general meeting in the manner prescribed by, and subject to the requirements set out, in the relevant provisions of Chapter 17 of Listing Rules; and
- (c) where any Grant to a Selected Participant who is an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any options and awards lapsed in accordance with the terms of the 2026 Share Award Scheme) to such Selected Participant in the 12-month period up to and including the date of such Grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury Shares), such further Grant must be approved by Shareholders in general meeting in the manner prescribed by, and subject to the requirements set out, in the relevant provisions of Chapter 17 of Listing Rules.

The Board considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors; (ii) it is common to include independent non-executive Directors as participants of share award schemes among companies listed on the Stock Exchange; and (iii) independent non-executive Directors make significant contributions to the Group through their professional expertise, independent judgment and oversight of corporate governance and internal control. The Board believes the inclusion of independent non-executive Directors as Employee Participants and the flexibility to award Grant Shares to them, in addition to cash-based remuneration, will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential Grant, for the following reasons:

- (a) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules;

LETTER FROM THE BOARD

- (b) approval by Shareholders will be required if any Grant to a Selected Participant who is an independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued in respect of all awards granted to such Selected Participant in the twelve (12)-month period up to and including the date of the Grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury Shares); and
- (c) the Board will be mindful of the recommended best practice E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration (e.g. Share grants) with performance-related elements to independent non-executive Directors when considering any future Grants to the independent non-executive Directors.

As at the Latest Practicable Date, the Company has not formulated any plan or intention for Grant to the Directors (including independent non-executive Directors) or any of their respective associates under the 2026 Share Award Scheme.

Service Provider Participants

The categories of Service Provider Participants under the 2026 Share Award Scheme would include the followings:–

- (a) independent service providers who are outsourced staff engaged by the Group that provides services which are material and relevant to the Group's operations (including but not limited to information technology support and customer services) on a regular or recurring basis with a minimum of continuous contractual engagement for at least 3 months within a 12-month period;
- (b) consultants that (i) provide consultancy services relevant to the Group's operations (including but not limited to design, research and development, manufacture and sales of optical and optical-related products); (ii) engage with the Group on a regular or recurring basis, with a minimum of continuous contractual engagement for at least 3 months within any 12-month period; and (iii) possess specialties or expertise in areas which are strategically critical or commercially enabling for the Group's business, on which the Group relies in order to maintain or expand a core business line or strategic initiative;
- (c) suppliers that supply the Group with goods on a regular or recurring basis with a minimum of continuous contractual arrangement for at least 3 months within a 12-month period, with which the Group would consider important to maintain a close business relationship on an ongoing basis, having regard to both quantitative and strategic materiality; and
- (d) agents and contractors that provide important services to the Group on a regular or recurring basis with a minimum of continuous contractual engagement for at least 3 months within a 12-month period, and the Group would consider important to maintain a close collaborative relationship on an ongoing basis.

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In determining whether Service Provider Participant provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business, the Scheme Administration Committee shall take into consideration matters including, but without limitation to:

- (a) the assessment of the Service Provider Participant's engagement over the preceding 12 months with reference to the duration (i.e., the amount of time or number of usage of such services required by the Group every month), the nature of the service (i.e., whether the service is core or directly ancillary to the Group's business), and whether the regularity and frequency of the services constitute continuous or recurring basis; and
- (b) the length of the contract or engagement with the Service Provider Participant.

In determining the eligibility of Service Provider Participants, the Scheme Administration Committee shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the Service Provider Participant to the Group's long-term development with reference to (i) the profits and/or income attributable to the Service Provider Participant's collaboration with the Group; (ii) annual transaction amount (if applicable); (iii) demonstration of expertise or in-sights in areas which enhanced or could possible improve the Group's operational efficiency or competitive positioning; and (iv) quality, timely services, and commercial value of the services provided, including contributions to research and development progress, manufacturing improvements or market access;
- (b) the materiality and importance of the services provided by Service Provider Participant to the Group with reference to (i) the Group's business and strategic needs; (ii) long term business opportunities and relationship with the Service Provider Participant; (iii) expected profit and revenue of such collaboration; (iv) the expertise or qualifications of the Service Provider Participant; and (v) whether alternative service providers could be used to replace;
- (c) the quality and nature of the services provided by the Service Provider Participant and whether such quality could be maintained in the long term with reference to the track record and cooperation with the Service Provider Participant;
- (d) the market norms and industry practices based on available information;
- (e) the general financial condition of the Group with reference to its recent performance, cash flow, balance sheet assessment and financial objectives; and
- (f) any other matter which the Scheme Administration Committee considers relevant such as the current value of the contract with the Service Provider Participant, costs of the services provided by the Service Provider Participant and Group's future business plans.

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The Grants to the Selected Participants (including Directors) will reward their contributions to the Group and at the same time encourage and incentivise them to further contribute to the long-term growth and development of the Group, which serves the purposes of the 2026 Share Award Scheme and is in the interests of the Company and the Shareholders as a whole.

The Group is principally engaged in the design, research and development, manufacture and sales of optical and optical-related products. The development and manufacture of these products integrate optics, electronics, algorithm and mechanical technologies and the application fields of these products cover vehicles, extended reality, pan internet of things, smartphones and optical instruments.

The Board (including independent non-executive Directors) considers that the proposed categories of Service Provider Participants are essential to enhance the Group's growth and development in view of the Group's business nature. The businesses of the Group rely on various Service Provider Participants and by aligning their interests directly with Shareholders, the Company can maintain long and stable connections with the Service Provider Participants, who contribute significantly to the Company's long-term growth, performance, and objectives. Further, the Company may have the flexibility to arrange equity-based consideration with Service Provider Participants to incentivise them to commit to serving the Group's business operations. As such, the proposed categories of Service Provider Participants match the Company's specific business needs and industry norms.

The Board (including non-executive Directors) has also considered, taking into account the potential dilution impacts, that direct cash incentives could adversely affect the cash reserves of the Company which could otherwise be spent on business operation, development and debt reduction of the Company. Further, Grants to Service Provider Participants are subject to the Service Provider Sublimit (i.e., 1% of the total number of issued Shares (excluding treasury Shares) as at the Adoption Date), and the Board believes that this 1% ceiling ensures that even at maximum utilisation, there will be no significant dilution of Shareholders' equity.

In light of the above, the Board recognises that engaging and retaining exceptional Selected Participants to continue employment or service (as the case may be) with the Company are vital to the long term development of the Company's business in a rapidly evolving and competitive industry. Accordingly, the Board (including independent non-executive Directors) is of the view that based on the nature of the Group's business, the above criteria and the inclusion of Employee Participants and Service Provider Participants to the 2026 Share Award Scheme align with the purposes of the 2026 Share Award Scheme and are in the interest of the Company and Shareholders as a whole.

LETTER FROM THE BOARD

5. Scheme Limit and Service Provider Sublimit

The total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company is set out in the section headed “4. SCHEME LIMIT AND REFRESHMENT” in the Appendix hereto.

As at the Latest Practicable Date, the number of issued Shares was 1,078,964,800 Shares (excluding treasury Shares). Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company would be no more than 107,896,480 Shares representing no more than 10% of issued Shares as at the Adoption Date (excluding treasury Shares).

In respect to Service Provider Participants, the total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company to Service Provider Participants would be no more than 10,789,648 Shares representing no more than 1% of the total number of issued Shares as at the Adoption Date (excluding treasury Shares).

The Service Provider Sublimit was determined with regard to the following factors:–

- (a) the purposes of the 2026 Share Award Scheme, i.e., to provide incentives to Service Provider Participants and encourage them to maintain their business relationship with the Group and contribute to the long term development of the Group;
- (b) the possible effect of diluting Shareholders’ control;
- (c) the reliance of the Group’s businesses on the services of exceptional and valuable Service Provider Participants; and
- (d) the service provider sublimit proposed or adopted by other companies listed on the Stock Exchange.

The Board considers that the Service Provider Sublimit is fair and reasonable for following reasons:–

- (a) the Grants to Service Provider Participants even if reached the maximum of 1% of the total number of issued Shares as at the Adoption Date (excluding the treasury Shares) would not cause an excessive dilution of the shareholding of the Shareholders;
- (b) the inclusion of Service Provider Participants to the 2026 Share Award Scheme as discussed above aligns with the purposes of the 2026 Share Award Scheme, is in the interest of the Company and Shareholders, and in compliance with the Listing Rules;

LETTER FROM THE BOARD

- (c) the Company could retain exceptional and valuable Service Provider Participants to continue to supply their services to the Group which are significant and important to the Group's business needs, strategic planning and future developments; and
- (d) the Company could have the flexibility and ability to reward equity-based incentives (instead of expending other financial resources) to Service Provider Participants who are critical to the long-term growth and development of the Group.

6. Vesting Period

The vesting period of the Grant Shares is set out in the section headed "6. VESTING PERIOD" in the Appendix hereto.

The vesting period for the Grant Shares shall not be less than twelve (12) months, except that the Board may in its sole and absolute discretion determine a vesting period that is shorter than the prescribed twelve (12) month period for Employee Participants under specific circumstances as set out in the section headed "6. VESTING PERIOD" in the Appendix hereto. The Board believes that permitting a vesting period of less than 12 months under specific circumstances for Employee Participants enables the Scheme Administration Committee to:

- (a) have flexibility in the administrative operations of the Company where numerous Employee Participants are to be vested in batches;
- (b) consider and compromise rare circumstances where out-of-control events occur to ensure the practicability in achieving the purposes of the 2026 Share Award Scheme and fairness to the Employee Participants; and
- (c) avoid certain circumstances where a strict twelve (12) month vesting period could not be implemented.

For the reasons set out above, the Board is of the view that under the specific and limited circumstances prescribed in the section headed "6. VESTING PERIOD" of the Appendix hereto, allowing a vesting period shorter than the prescribed twelve (12) month period for Employee Participants would be appropriate and is in line with the purposes of the 2026 Share Award Scheme.

7. Performance Targets

The 2026 Share Award Scheme does not prescribe any performance targets that must be met before the Grant Shares can be vested thus there are no performance targets attached to any Grant to any Selected Participants.

LETTER FROM THE BOARD

The Board considers that it is not appropriate to impose performance targets to the Grant to Selected Participants for the following reasons:–

- (a) one of the factors to determine the eligibility of the Selected Participants is to consider the performance of the Selected Participants (i.e. present and expected contributions to the Group’s long term growth); and
- (b) each Selected Participants have different positions held with or provide various services to (as the case may be) the Group and it is not practicable or beneficial to fix the scope of performance targets in the 2026 Share Award Scheme.

The Board views that the performance of the Selected Participant has already been taken into account and despite that no performance targets are attached to the Grant, the Grant are subject to Vesting Period (as determined by the Scheme Administration Committee) thus the Selected Participants would be retained and encouraged to continue employment with or service to the Group. In addition, the value of Grant Shares is linked to the future Share price and performance of the Group thus the Selected Participants would be incentivised to further contribute to the Group’s long-term growth, which is in the interest of the Company and Shareholders and in line with the purposes of the 2026 Share Award Scheme.

8. Purchase Price of the Grant Shares

The Selected Participants are not required to pay any amount on acceptance of the Grant. The Board considers that no payment required from the Selected Participants would prevent Selected Participants to be financially burdened and encourage Selected Participants to acquire proprietary interests in the Company as to serve the purposes of the 2026 Share Award Scheme.

9. Clawback Mechanisms

The clawback mechanisms are set out in the section headed “16. CLAWBACK MECHANISMS OF THE 2026 SHARE AWARD SCHEME” in the Appendix hereto.

Under the 2026 Share Award Scheme, the Grant shall automatically lapse forthwith, amongst others, when the Selected Participant ceases to be an Employee Participant or Service Provider Participant (as the case may be) in events of dishonesty or serious misconduct, incompetency, summary dismissal, bankruptcy or criminal offences. Grant which have lapsed pursuant to the said clawback mechanism will not be regarded as utilised for the purpose of calculating the Scheme Limit and Service Provider Sublimit.

The Board considers that such mechanism aligns with the purposes of the 2026 Share Award Scheme as if the Selected Participants conducted any serious events that violates the law or the Group’s policies, it would have an adverse impact to the Group. In these circumstances, it would not be in the interest of the Company or Shareholders as a whole to continue vesting the Grant Shares to such Selected Participants.

LETTER FROM THE BOARD

10. Application for Listing

An application will be made to the Stock Exchange for the approval of the listing for, and permission to deal in, the Shares to be issued in respect of Grants in accordance with the terms and conditions of the 2026 Share Award Scheme.

11. Documents on Display

A copy of the 2026 Share Award Scheme will be displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sunnyoptical.com/>) for a period of not less than 14 days before the date of the EGM, and will also be available for inspection at the EGM.

12. Other Information

For the purposes of the 2026 Share Award Scheme, the Company intends to satisfy the Grant by purchasing Shares on the Stock Exchange through the Trustee, allotting Shares or transfer of treasury Shares to the Selected Participants. For more details, please refer to the section headed “3. OPERATION OF THE SCHEME” in the Appendix hereto.

As at the Latest Practicable Date, the Company had not granted, proposed to grant or intended to grant any awards under the 2026 Share Award Scheme.

The Board had resolved to appoint BOCI Trustee (Hong Kong) Limited to be the trustee of the 2026 Share Award Scheme. BOCI Trustee (Hong Kong) Limited is a trust company registered under section 78(1) of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong). Immediately before the entering into of the Trust Deed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BOCI Trustee (Hong Kong) Limited and its ultimate beneficial owners are third parties independent of and not connected with the Company and any of its connected persons. None of the Directors is a trustee of the 2026 Share Award Scheme nor has any direct or indirect interest in the Trustee. For avoidance of doubt, the Trust is set up for the administration of the 2026 Share Award Scheme and all Grants are made personally to the respective Selected Participants. The Trustee shall hold the Grant Shares on behalf and for the benefit of the Selected Participants in accordance with the 2026 Share Award Scheme and the Trust Deed.

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the 2026 Share Award Scheme.

Pursuant to the note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the 2026 Share Award Scheme proposed to be adopted and understands that the adoption of the 2026 Share Award Scheme and the Grants thereunder, would not constitute an offer to public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

LETTER FROM THE BOARD

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had any material interest in the adoption of the 2026 Share Award Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolution approving the adoption of the 2026 Share Award Scheme and the Service Provider Sublimit.

BOOK CLOSURE IN RESPECT OF SHAREHOLDERS' ENTITLEMENT TO ATTEND AND VOTE AT THE EGM

In order to determine the eligibility for attending the EGM, which is to be held on 27 May 2026, the register of members of the Company will be closed from 21 May 2026 to 27 May 2026, both days inclusive, during which no transfer of shares will be registered. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on 20 May 2026.

EGM

The notice of the EGM is set out on pages 31-33 of this circular. A form of proxy for the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

Pursuant to the Listing Rules, voting by poll is required for any resolution put to vote at the EGM, except where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company on the date of the EGM in the manner as prescribed under Rule 13.39(5) of the Listing Rules.

Resolutions nos. 1 and 2 will be proposed as ordinary resolutions to consider, approve and adopt the 2026 Share Award Scheme and the Service Provider Sublimit.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed adoption of the 2026 Share Award Scheme and Service Provider Sublimit are in the interest of the Company and Shareholders as a whole and so recommend Shareholders to vote in favour of the relevant resolutions at the EGM. The Directors will vote all their shareholdings in favour of such resolutions.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,

By order of the Board

Sunny Optical Technology (Group) Company Limited

Wang Tan Jiong

Chairman and Executive Director

The following is a summary of the principal terms of the 2026 Share Award Scheme to be adopted by ordinary resolution at the EGM, but such summary does not form part of, nor was it intended to be, part of the 2026 Share Award Scheme, nor should it be taken as affecting the interpretation of the rules of the 2026 Share Award Scheme:

1. PURPOSES OF THE 2026 SHARE AWARD SCHEME

The purposes of the 2026 Share Award Scheme are to:

- (a) provide the Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (b) encourage and retain the Selected Participants to work with the Company;
- (c) provide additional incentives to the Selected Participants to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company; and
- (d) aligning the interests of the Selected Participants directly to the Shareholders through ownership of Shares.

2. ELIGIBILITY OF THE SELECTED PARTICIPANTS

Participants of the 2026 Share Award Scheme includes Employee Participants (including Directors) and Service Provider Participants. For the avoidance of doubt, Service Provider Participant may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

In determining the eligibility of Employee Participants, the Scheme Administration Committee shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the Employee Participant with reference to the individual's documented performance, key achievements made, and potential contribution and positive impact of the Employee Participant to the success and long term development of the Group;
- (b) the experience, qualification, and position of the Employee Participant with reference to the Employee Participant's skills, leadership capabilities, length of service and level of responsibilities in relation to the Group's business;
- (c) the quality of work of the Employee Participant performed for the Group;
- (d) the general financial condition of the Group with reference to its recent performance, cash flow, balance sheet assessment and financial objectives; and

- (e) any other matter which the Scheme Administration Committee considers relevant such as the current remuneration packages of the Employee Participant and initiative and commitment of the Employee Participant in performing his/her duties and responsibilities.

The categories of Service Provider Participants under the 2026 Share Award Scheme would include the followings:-

- (a) independent service providers who are outsourced staff engaged by the Group that provides services which are material and relevant to the Group's operations (including but not limited to information technology support and customer services) on a regular or recurring basis with a minimum of continuous contractual engagement for at least 3 months within a 12-month period;
- (b) consultants that (i) provide consultancy services relevant to the Group's operations (including but not limited to design, research and development, manufacture and sales of optical and optical-related products); (ii) engage with the Group on a regular or recurring basis, with a minimum of continuous contractual engagement for at least 3 months within any 12-month period; and (iii) possess specialties or expertise in areas which are strategically critical or commercially enabling for the Group's business, on which the Group relies in order to maintain or expand a core business line or strategic initiative;
- (c) suppliers that supply the Group with goods on a regular or recurring basis with a minimum of continuous contractual arrangement for at least 3 months within a 12-month period, with which the Group would consider important to maintain a close business relationship on an ongoing basis, having regard to both quantitative and strategic materiality; and
- (d) agents and contractors that provide important services to the Group on a regular or recurring basis with a minimum of continuous contractual engagement for at least 3 months within a 12-month period, and the Group would consider important to maintain a close collaborative relationship on an ongoing basis.

In determining whether Service Provider Participant provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business, the Scheme Administration Committee shall take into consideration matters including, but without limitation to:

- (a) the assessment of the Service Provider Participant's engagement over the preceding 12 months with reference to the duration (i.e., the amount of time or number of usage of such services required by the Group every month), the nature of the service (i.e., whether the service is core or directly ancillary to the Group's business), and whether the regularity and frequency of the services constitute continuous or recurring basis; and
- (b) the length of the contract or engagement with the Service Provider Participant.

In determining the eligibility of Service Provider Participants, the Scheme Administration Committee shall take into consideration matters including, but without limitation to:

- (a) the present contribution and expected contribution of the Service Provider Participant to the Group's long-term development with reference to (i) the profits and/or income attributable to the Service Provider Participant's collaboration with the Group; (ii) annual transaction amount (if applicable); (iii) demonstration of expertise or in-sights in areas which enhanced or could possibly improve the Group's operational efficiency or competitive positioning; and (iv) quality, timely services, and commercial value of the services provided, including contributions to research and development progress, manufacturing improvements or market access;
- (b) the materiality and importance of the services provided by Service Provider Participant to the Group with reference to (i) the Group's business and strategic needs; (ii) long-term business opportunities and relationship with the Service Provider Participant; (iii) expected profit and revenue of such collaboration; (iv) the expertise or qualifications of the Service Provider Participant; and (v) whether alternative service providers could be used to replace;
- (c) the quality and nature of the services provided by the Service Provider Participant and whether such quality could be maintained in the long term with reference to the track record and cooperation with the Service Provider Participant;
- (d) the market norms and industry practices based on available information;
- (e) the general financial condition of the Group with reference to its recent performance, cash flow, balance sheet assessment and financial objectives; and
- (f) any other matter which the Scheme Administration Committee considers relevant such as the current value of the contract with the Service Provider Participant, costs of the services provided by the Service Provider Participant and Group's future business plans.

3. OPERATION OF THE SCHEME

The 2026 Share Award Scheme shall be administered by the Scheme Administration Committee and subject to provisions of the 2026 Share Award Scheme including but not limited to the Scheme Limit and Service Provider Sublimit. The Scheme Administration Committee may, from time to time at its absolute discretion, decide the Grant to any Selected Participant and determine the number of Grant Shares.

Subject to the discretion of the Scheme Administration Committee, the Company may satisfy the Grant in the following manners:–

- (a) purchasing Shares on the Stock Exchange through the Trustee, in compliance with the Listing Rules and applicable securities laws;
- (b) allotting Shares to Selected Participants; or
- (c) transferring treasury Shares held in accordance with the Listing Rules and the laws of the Cayman Islands and Hong Kong to Selected Participants.

The Shares subject to the 2026 Share Award Scheme must be separately designated unless they are identical with other Shares in issue.

Satisfaction of the Grant by the Purchase of Shares through the Trustee on the Stock Exchange

The Scheme Administration Committee shall cause to be paid to the Trustee the sum of the closing price of the Shares as at the Grant Date together with all related purchase expenses required for the completion of the purchase of all the Shares from the Company's resources as soon as possible to satisfy the amount of Grant Shares to be vested.

Satisfaction of the Grant by Allotting Shares to Selected Participants

Subject to vesting conditions and relevant Listing Rules, the Company shall allot the relevant number of Shares to the Selected Participants to satisfy the amount of Grant Shares to be vested in accordance with the 2026 Share Award Scheme and Trust Deed.

Satisfaction of the Grant by Transferring the Treasury Shares to Selected Participants

Subject to vesting conditions and relevant Listing Rules, the Company shall transfer the relevant number of treasury Shares to the Selected Participants to satisfy the amount of Grant Shares to be vested in accordance with the 2026 Share Award Scheme and Trust Deed.

4. SCHEME LIMIT AND REFRESHMENT

Scheme Limit

The total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company shall not exceed 10% of the total number of issued Shares as at the Adoption Date (excluding treasury Shares) (the “**Scheme Limit**”).

The total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company to Service Provider Participants shall be within the Scheme Limit and must not exceed 1% of the total number of issued Shares as at the Adoption Date (excluding treasury Shares) (the “**Service Provider Sublimit**”).

Any Grant which has lapsed in accordance with the rules of the 2026 Share Award Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit and Service Provider Sublimit.

If the Company conducts a share consolidation or subdivision after the Scheme Limit or Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all awards to be granted under all schemes of the Company under the Scheme Limit or Service Provider Sublimit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

Refreshment

The Company may seek approval by Shareholders in general meeting for “refreshing” the Scheme Limit and Service Provider Sublimit after three (3) years from (i) the date of Shareholders’ approval for the last refreshment or (ii) Adoption Date, subject to:–

- (a) the total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company under the Scheme Limit as “refreshed” must not exceed 10% of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of the refreshed Scheme Limit;
- (b) the total number of Shares which may be issued in respect of all awards to be granted under all schemes of the Company under the Service Provider Sublimit as “refreshed” must not exceed 1% of the total number of Shares in issue (excluding treasury Shares) as at the date of approval of the refreshed Service Provider Sublimit; and
- (c) a circular shall be sent by the Company to Shareholders containing the number of Grants that were already granted under the then existing Scheme Limit and Service Provider Sublimit, and the reason for the “refreshment”.

Further to the requirements above, the Company may seek approval by Shareholders in general meeting for “refreshing” the Scheme Limit and Service Provider Sublimit within three (3) years from (i) the date of Shareholders’ approval for the last refreshment or (ii) Adoption Date, subject to:–

- (a) any controlling Shareholders (as such term is defined under the Listing Rules) and their associates (or if there is no controlling Shareholder (as such term is defined under the Listing Rules), Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;

- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and
- (c) the requirements in the above (a) and (b) do not apply if the refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis as set forth in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Limit and Service Provider Sublimit (as a percentage of the total number of issued Shares) upon refreshment is the same as the unused part of the Scheme Limit and Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

Grants beyond the Scheme Limit

The Company may seek separate approval from Shareholders in general meeting for Grants beyond the Scheme Limit (or the refreshed Scheme Limit) or the Service Provider Sublimit (or the refreshed Service Provider Sublimit), provided that:–

- (a) the Grants in excess of the Scheme Limit (or the refreshed Scheme Limit) or the Service Provider Sublimit (or the refreshed Service Provider Sublimit) shall be granted only to Selected Participants specifically identified by the Company before Shareholders' approval is sought;
- (b) the Company must send a circular to the Shareholders containing the name of each specified Selected Participant who may be awarded such Grants, the number and terms of the Grants to each specified Selected Participant, and the purpose of the Grants to the specified Selected Participants with an explanation as to how the terms of the Grants serve such purpose; and
- (c) the number and terms of Grants to such Selected Participants must be fixed before Shareholders' approval.

5. MAXIMUM ENTITLEMENT OF SELECTED PARTICIPANTS

Where any Grant to a Selected Participant (excluding any Director, chief executive of the Company or substantial Shareholder, or any of their respective associates), would result in the Shares issued and to be issued in respect of all awards granted to such Selected Participants (excluding any awards lapsed in accordance with the terms of the 2026 Share Award Scheme) in the 12-month period up to and including the date of such Grant representing in aggregate over 1% of the Shares in issue (excluding treasury Shares), such Grant must be separately approved by Shareholders in general meeting with such Selected Participant and his/her close associates (or associates if the Selected Participant is a connected person) abstaining from voting. The number and terms of the Grant must also be fixed before Shareholders' approval, and a circular shall be despatched to the Shareholders in the manner prescribed by the relevant provisions of Chapter 17 of Listing Rules.

Where any Grant to a Selected Participants who is a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the 2026 Share Award Scheme) to such Selected Participants in the 12-month period up to and including the date of such Grant, representing in aggregate over 0.1% of the Shares in issue (excluding treasury Shares), such further Grant must be approved by Shareholders in general meeting in the manner prescribed by, and subject to the requirements set out, in the relevant provisions of Chapter 17 of Listing Rules.

Where any Grant to a Selected Participants who is an independent non-executive Director or a substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the 2026 Share Award Scheme) to such Selected Participants in the 12-month period up to and including the date of such Grant representing in aggregate over 0.1% of the Shares in issue (excluding treasury Shares), such further Grant must be approved by Shareholders in general meeting in the manner prescribed by, and subject to the requirements set out, in the relevant provisions of Chapter 17 of Listing Rules.

6. VESTING PERIOD

The Vesting Period is two (2) to five (5) years as determined by the Scheme Administration Committee at the time of Grant. The Grant Shares are subject to a vesting scale in tranches of one-half to one-fifth each (as the case may be) on every anniversary date of the Grant Date starting from the first anniversary date until the second to the fifth (as the case may be).

Notwithstanding any other provisions of the 2026 Share Award Scheme, subject to applicable laws and regulations, the Board may in its sole and absolute discretion determine that the Grant to a Selected Participant (who is an Employee Participant) may be subject to a vesting period of less than 12 months in the following circumstances:

- (a) Grant of “make-whole” share awards to an Employee Participant who is a new joiner of the Group to replace the share awards that has been forfeited when leaving the previous employer;
- (b) Grant to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, in which circumstances the vesting of Grant Shares may accelerate;
- (c) Grants in batches during a year for administrative and compliance reasons, which may include Grants that should have been granted earlier but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Grants would have been granted;

- (d) Grants with a mixed or accelerated vesting schedule (such as where the Grants may vest evenly over a period of twelve (12) months);
- (e) Grants with a total vesting and holding period of more than twelve (12) months; or
- (f) any other specific circumstance as permitted under the Listing Rules and other relevant guidance issued by the Stock Exchange from time to time.

7. PERFORMANCE TARGETS

No performance targets are attached to any Grant under the 2026 Share Award Scheme.

8. PURCHASE PRICE OF GRANT SHARES

The 2026 Share Award Scheme does not require Selected Participants to pay any amount on acceptance of the Grant.

9. RIGHTS ATTACHED TO THE GRANT SHARES

Prior and subject to the Grant Shares being vested to the Selected Participants in accordance with the provisions set out in the 2026 Share Award Scheme, the Selected Participants shall have no interest or rights in respect of the Grant Shares including but not limited to any right to vote, receive dividends, transfer, or exercise any other rights of a Shareholder, whether arising in the ordinary course or upon the liquidation of the Company.

Any Grant shall be personal to the Selected Participant to whom it is made and shall not be assignable. No Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party, over or in relation to the Grant, unless waiver has been granted by the Stock Exchange.

10. LIFE OF THE 2026 SHARE AWARD SCHEME

The life of the 2026 Share Award Scheme must not be more than ten (10) years. Subject to early termination in accordance with the provisions of the 2026 Share Award Scheme, the 2026 Share Award Scheme shall be valid and effective for the Scheme Period, after which there shall be no further Grant to any Selected Participant under the 2026 Share Award Scheme.

11. LAPSE OF GRANTS

Grants shall lapse automatically and the Grant Shares shall not be vested (save for those which have already been vested) in the following circumstances, subject to the provisions of the 2026 Share Award Scheme:

- (a) the Selected Participant ceases to be an Employee Participant or a Service Provider Participant (as the case may be) for reasons other than retirement in accordance with his/her employment or contractual engagement with the Group or job-related permanent physical or mental disablement, or death;
- (b) the Subsidiary by which such Selected Participant is employed or contracted with (as the case may be) ceases to be a Subsidiary; or
- (c) an order for the winding up of the Company is made or a resolution is passed for the voluntary winding up of the Company.

For avoidance of doubt, a Selected Participant shall be regarded as remaining as an Employee Participant or a Service Provider Participant (as the case may be) notwithstanding that he/she ceases to hold a position of employment or office or contract with (as the case may be) the Company or a Subsidiary, if at the same time he takes up a different position of employment and/or office or contract with (as the case may be) another Subsidiary.

12. REORGANISATION OF CAPITAL STRUCTURE

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital in the Company (excluding the issue of securities as consideration in a transaction), the Board may make corresponding adjustments (if any) in the purchase price (as the case may be and if any) and/or number of Grant Shares so far as unvested.

Any above adjustment(s) must:–

- (a) give a Selected Participant the same proportion of equity capital, rounded to the nearest whole Share, as that to which such Selected Participant was previously entitled;
- (b) not be made to the extent that a Share would be issued at less than its nominal value (if any);
- (c) other than any adjustments made on a capitalisation issue, have an independent financial adviser or the Company's auditors confirm to the Directors in writing that the adjustments satisfy the requirements set out in Chapter 17 of the Listing Rules (or any guideline or supplementary guidance as may be issued by the Stock Exchange from time to time); and

- (d) be in accordance with the 2026 Share Award Scheme, the Listing Rules, the requirements and method of adjustments under Appendix 1 of HKEX-FAQ13, and any other applicable guideline or supplementary guidance as may be issued by the Stock Exchange from time to time.

13. CANCELLATION

Any Grant may be cancelled or forfeited by the Board in its absolute discretion, if it sees fit and in manner that complies with all applicable legal requirements for such cancellation.

Any Grant cancelled or forfeited will be regarded as utilised for the purpose of calculating the Scheme Limit and, where applicable, Service Provider Sublimit.

In the event that a Grant to a Selected Participant is cancelled or forfeited, and a new Grant is awarded to the same Selected Participant, such new Grant may only be made provided that there are available Scheme Limit or Service Provider Sublimit (as the case may be).

14. TERMINATION OF THE 2026 SHARE AWARD SCHEME

The 2026 Share Award Scheme shall commence on the Adoption Date and cease upon the expiry of the Scheme Period, unless terminated at an earlier date determined by the Board in accordance with the provisions of the 2026 Share Award Scheme.

Upon termination (whether due to any early termination or upon expiry of the Scheme Period), there shall be no further Grant to Selected Participants. The Company shall notify the Trustee and Selected Participants of such termination.

Upon receipt of the notification of termination from the Company in writing by the Trustee, the Trustee shall within twenty-one (21) Business Days of receiving such notice of termination, or such longer time as the Trustee and the Scheme Administration Committee may agree from time to time:—

- (a) vest in the Selected Participants all Grant Shares referable to the date of termination which are not vested by transferring the same held by and in the trust fund of the Trust to the relevant Selected Participants; and
- (b) sell all unaccepted or unvested Shares or additional Shares under the Trust and non-cash income remaining in the Trust, if any, and remit the proceeds of sale of the same together with any residual cash accrued to the Company.

15. AMENDMENT TO THE 2026 SHARE AWARD SCHEME

The Board may, at its sole discretion, amend the terms and conditions of the 2026 Share Award Scheme from time to time, except that Shareholders' approval in general meeting must be obtained for any alterations to (i) the terms and conditions of the 2026 Share Award Scheme which are of a material nature; (ii) the provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of Selected Participants; or (iii) the authority of the Board or Scheme Administration Committee to alter the terms of the 2026 Share Award Scheme.

Any change to the terms of the Grant to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial Grant was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the 2026 Share Award Scheme.

Any alteration to the terms of the 2026 Share Award Scheme or Grant shall comply with the relevant requirements of the Listing Rules.

Written notice of any amendment(s) to the 2026 Share Award Scheme shall be given to all Selected Participants and the Trustee.

16. CLAWBACK MECHANISMS OF THE 2026 SHARE AWARD SCHEME

A Selected Participant ceases to be an Employee Participant or a Service Provider Participant (as the case may be) for the purpose of the 2026 Share Award Scheme and the Grant shall automatically lapse forthwith, and all the Grant Shares shall not vest accordingly, if the Selected Participant has:

- (a) been terminated by the Company or any Subsidiary for cause. For the purposes of this paragraph and all other relevant provisions hereunder (if any) relating to termination for cause, cause shall mean:
 - (i) dishonesty or serious misconduct, whether or not in connection with his employment; wilful disobedience or non-compliance with the terms of his employment, agency or consultancy contract with the Company or any Subsidiary or any lawful orders or instructions given by the Company or any Subsidiary as the case may be;
 - (ii) incompetence or negligence in the performance of his/her duties; or
 - (iii) doing anything in the conclusive opinion of the Company or any Subsidiary that adversely affects his/her ability to perform his/her duties properly or bring the Company or the Group into disrepute;

- (b) been summarily dismissed by the Company or any Subsidiary in so far as such Selected Participant is an employee;
- (c) been adjudged bankrupt or has failed to pay his/her debts within a reasonable time after they become due; or becoming a party to a deed of arrangement or entered into any other form of arrangement or composition with his creditors;
- (d) been convicted for any criminal offence involving his/her integrity or honesty; or
- (e) been charged, convicted or held liable for any offence under or have breached any securities or financial markets laws, rules or regulations in any country, including the People's Republic of China and Hong Kong, or any other applicable laws or regulations in force from time to time.

17. CONDITIONS OF THE 2026 SHARE AWARD SCHEME

The 2026 Share Award Scheme shall become effective upon fulfilment of the following conditions:

- (a) the passing of ordinary resolutions by the Shareholders at a general meeting to approve the adoption of the 2026 Share Award Scheme and the Service Provider Sublimit; and
- (b) the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be allotted and issued by the Company in respect of the Grants in accordance with the terms and conditions of the 2026 Share Award Scheme.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Sunny Optical Technology (Group) Company Limited (the “**Company**”) will be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Hong Kong on Wednesday, 27 May 2026, at 11:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

1. “**THAT** subject to and conditional upon the listing committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”), which may be issued and allotted in respect of the awards that may be granted under the 2026 share award scheme of the Company (the “**2026 Share Award Scheme**”), a copy of which is tabled at the meeting and marked “A” and signed by the chairman of the EGM for the purpose of identification, the 2026 Share Award Scheme with the Scheme Limit (as defined in the 2026 Share Award Scheme) on the total number of Shares which may be issued in respect of all awards under all the share schemes of the Company of not exceeding 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding treasury shares), be and is hereby approved and adopted; and the board of the Company (the “**Board**”) and Scheme Administration Committee (as defined in the 2026 Share Award Scheme) be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2026 Share Award Scheme including but without limitation:
 - (a) to administer the 2026 Share Award Scheme;
 - (b) to grant awards under the 2026 Share Award Scheme and to allot and issue from time to time such number of Shares as may be required to be allotted and issued in respect of the awards granted under the 2026 Share Award Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

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- (c) to alter and/or modify the 2026 Share Award Scheme from time to time provided that such alteration and/or modification is effected in accordance with the provisions of the 2026 Share Award Scheme relating to the alteration and/or modification and is in compliance with Chapter 17 of the Listing Rules;
 - (d) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any new Shares which may hereafter from time to time be allotted and issued in respect of the awards to be granted under the 2026 Share Award Scheme and subject to the Listing Rules;
 - (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2026 Share Award Scheme and subject to the Listing Rules; and
 - (f) to take all such steps as may be necessary or desirable to implement the 2026 Share Award Scheme.”
2. “**THAT** subject to and conditional upon the passing of ordinary resolution no. 1, the service provider sublimit in the 2026 Share Award Scheme on the total number of Shares which may be issued in respect of all awards under all the share schemes of the Company to the Service Provider Participants (as defined in the 2026 Share Award Scheme) representing 1% of the total number of issued Shares as at the date of the passing of this resolution (excluding the treasury Shares), be and is hereby approved and adopted.”

By order of the Board
Sunny Optical Technology (Group) Company Limited
Wang Tan Jiong
Chairman and Executive Director

Hong Kong, 24 April 2026

Principal place of business in Hong Kong:
Unit 2304-5, 23/F.,
Henley Building
5 Queen’s Road Central
Hong Kong

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Notes:

1. A shareholder entitled to attend and vote at the above meeting (or at any adjournment thereof) may appoint another person as his/her proxy to attend and to vote in his/her stead. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting if they so wish and in such event, the proxy form shall be deemed to be revoked.
5. For the purposes of determining shareholders' eligibility to attend and vote at the above meeting, the register of members of the Company will be closed. Details of such closures for determining eligibility to attend and vote at the above meeting are set out below:

Latest time to lodge transfer documents for registration

4:30 p.m. on 20 May 2026

Closure of register of members

21 May 2026 to 27 May 2026
(both dates inclusive)

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

6. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited, all resolutions set out in this Notice will be decided by poll at the above meeting.
7. A form of proxy for use at the above meeting is enclosed.
8. There will be no food and beverage services and no distribution of gifts at the EGM.

As at the date of this notice, the Board comprises Mr. Wang Tan Jiong, Mr. Wang Wenjie and Mr. Ni Wenjun, who are executive Directors; Mr. Wang Wenjian, who is a non-executive Director, and Mr. Feng Hua Jun, Mr. Chen Gang, Ms. Thoeng Wai Yee Cheryl and Ms. Ching Wan Fung, who are independent non-executive Directors.