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This announcement is not, and is not intended to be, an offer or sale of securities of Sunny Optical Technology (Group) Company Limited (the “Company”) in the United States. Securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended. A public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company making the offer and its management and financial statements. The Company does not intend to register any part of the Global Offering in the United States. There will be no public offering in the United States of securities being offered in the Global Offering.

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Unless defined herein, terms in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 4 June 2007 (the “Prospectus”).



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)

EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus has been exercised in full by BNP Paribas Capital on behalf of the Placing Underwriters on 3 July 2007 and the Over-allotment Option Grantors are required to dispose of an aggregate of 40,500,000 existing Shares, which represents 15% of the Offer Shares initially available under the Global Offering.

The Shares under the Over-allotment Option will be sold at the Offer Price, i.e., HK\$3.82 per Share (excluding brokerage of 1%, Stock Exchange trading fee of 0.005%, and SFC transaction levy of 0.004%).

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- 15% of the Offer Shares initially available under the Global Offering;
- all of the Shares to be sold under the Over-allotment Option; and
- 4.05% of the existing issued share capital of the Company.

The Shares under the Over-allotment Option will be sold at the Offer Price, i.e., HK\$3.82 per Share (excluding brokerage of 1%, Stock Exchange trading fee of 0.005%, and SFC transaction levy of 0.004%).

BNP Paribas Capital has borrowed 40,500,000 Shares from Sun Xu (being one of the Over-allotment Option Grantors) pursuant to the Securities Lending Agreement solely to cover over-allocations in the Placing. The Over-allotment Shares will be used to facilitate the return in full to Sun Xu of 40,500,000 borrowed Shares which were used to cover over-allocations under the Placing.

Listing of and permission to deal in the Over-allotment Shares were granted by the Listing Committee of the Stock Exchange.

The number of issued Shares remains unchanged after the exercise of the Over-allotment Option. The shareholding structure of the Company prior to and immediately after the sale of the Over-allotment Shares are as follows:

Shareholders	Prior to the sale of the Over-allotment Shares		Immediately after the sale of the Over-allotment Shares and return of all borrowed Shares to Sun Xu	
	Number of Shares	Approximate percentage of shareholding %	Number of Shares	Approximate percentage of shareholding %
Sun Xu (<i>Notes 1 and 2</i>)	422,286,768	42.23	418,729,060	41.87
Sun Zhong	58,433,232	5.84	57,940,940	5.79
Summit	207,624,508	20.76	171,174,508	17.12
CWI	41,655,492	4.17	41,655,492	4.17
Public shareholders	<u>270,000,000</u>	<u>27.00</u>	<u>310,500,000</u>	<u>31.05</u>
Total	<u>1,000,000,000</u>	<u>100.00</u>	<u>1,000,000,000</u>	<u>100.00</u>

Note 1: Sun Xu is beneficially owned as to 7.68% and 92.32% by Sun Guang (being an entity wholly-owned by Mr Wang) and Sun Ji (being an entity beneficially owned by the 427 Sunny Staff Shareholders (including Mr Wang, Mr Ye and Mr Wu) through Mr Wang on their behalf under the Sunny Employee Trust), respectively.

Note 2: This included the 40,500,500 Shares borrowed by BNP Paribas Capital pursuant to the Securities Lending Agreement.

The proceeds from the sale of the Over-allotment Shares will be received by the Over-allotment Option Grantors pro rata to their respective share in the Over-allotment Shares. No proceeds will be received by the Company under the exercise of the Over-allotment Option.

Immediately after the sale of the Over-allotment Shares, approximately 31.05% of the issued share capital of the Company will be held in public hands, and the Company continues to observe the public float requirements under Rule 8.08(1)(a) of the Listing Rules.

By order of the Board
Sunny Optical Technology (Group) Company Limited
Wang Wenjian
Chairman

Hong Kong, 4 July 2007

As at the date of this announcement, the Directors are:

Executive Directors

Mr Wang Wenjian, Mr Ye Liaoning, Mr Xie Minghua and Mr Wu Jinxian

Non-executive Directors

Mr Shao Yang Dong and Mr Li Tyson Sandy Ying Lun

Independent non-executive Directors

Dr Chang Mei, Dick (or Dr Dick Mei Chang), Mr Koji Suzuki, Dr Liu Xu and Mr Zhang Yuqing

*“Please also refer to the published version of this announcement in **South China Morning Post.**”*