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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)

RE-DESIGNATION OF DIRECTOR AND CHAIRMAN AND CHANGE OF CHIEF EXECUTIVE OFFICER

The Board would like to announce the following changes, which all will be effective from 15 March, 2012:

- (1) Mr. Wang Wenjian, the Chairman, an executive Director and the Chief Executive Officer, will be re-designated as the Honorary Chairman and a non-executive Director of the Company and will cease to act as the Chief Executive Officer of the Company; and
- (2) Mr. Ye Liaoning, the Vice Chairman and an executive Director, will be re-designated as the Chairman of the Company and will remain as an executive Director of the Company. Mr. Sun Yang, an executive Director and the Deputy Chief Executive Officer, will be appointed as the Chief Executive Officer and will remain as an executive Director of the Company.

The board (the “**Board**”) of directors (the “**Directors**”) of Sunny Optical Technology (Group) Company Limited (the “**Company**”) would like to announce that Mr. Wang Wenjian(王文鑾)(“**Mr. Wang**”), the Company’s current Chairman, executive Director and Chief Executive Officer, will be re-designated as the Honorary Chairman and a non-executive Director of the Company and will cease to act as the Chief Executive Officer of the Company with effect from 15 March, 2012.

The Board would also like to announce that, with effect from 15 March, 2012, Mr. Ye Liaoning (葉遼寧) (“**Mr. Ye**”), the Company’s current Vice Chairman and executive Director, will be re-designated as the Chairman and will remain as an executive Director of the Company, and Mr. Sun Yang (孫泐) (“**Mr. Sun**”), the Company’s current executive Director and Deputy Chief Executive Officer, will be appointed as the Chief Executive Officer and will remain as an executive Director of the Company.

The above changes in the senior management of the Company are part of the Company's overall succession planning in line with the long term benefits for the Company and its subsidiaries (collectively, the "**Group**"). The Board believes that succession planning should be an integral part of any leadership development and that the development of the Group should not rely on any one person or family. Embracing this principle, Mr. Wang, who is now 64 years old and has reached his retirement age, has tendered his resignation as the Chairman, the Chief Executive Officer and an executive Director of the Company, stating that it is time to pass the torch to someone younger and who is capable of leading the Group. However, upon request and invitation of the Board, Mr. Wang was kindly agreed to remain as the Honorary Chairman and a non-executive Director of the Company. Mr. Wang has confirmed that he has no disagreement with the Board and there is no matter relating to his re-designation which needs to be brought to the attention of shareholders of the Company.

Mr. Wang is one of the founders of the Group and the Company and under his leadership, the Group has become the leading optical components producer in China and achieved good market recognition in the industry. The Board would like to express its most sincere gratitude to Mr. Wang for his distinguished and valuable contributions to the Company during his tenure as the Chairman and Chief Executive Officer of the Company.

The Board believes that the resignation of Mr. Wang as the Chairman, an executive Director and the Chief Executive Officer of the Company will not have any material effect on the operation of the Company and the Group as a whole. In his role as the Honorary Chairman and a non-executive Director, Mr. Wang will continue to make valuable contributions to the Group in light of his commitment to the Company and his valuable experience in the industry.

The following disclosures are made pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Biography of Mr. Wang

Mr. Wang, aged 64, is one of the founders of the Company and the Group, and is also the current Chairman, Chief Executive Officer and executive Director of the Company. He was responsible for the overall formulation of policies, decision-making and management of the Group. Mr. Wang joined Yuyao County Chengbei Optical Instruments Factory* (餘姚縣城北光學儀器廠) in 1984 as the factory manager and had been its general manager since 1994 when it was transformed to a joint stock limited liability company. Mr. Wang was awarded the title of Chinese Business Master by the State Council Development Research Center* (國務院研究發展中心) in 2004. Mr. Wang obtained the title of Outstanding Entrepreneur* (優秀創業企業家) from Ningbo Entrepreneurs Association* (寧波市企業家協會) and Ningbo Enterprise Unite League* (寧波市企業聯合會) in 2006. Mr. Wang acted as the honorary president of Yuyao Charity Federation in 2003 and as a guest professor of the College of Information Science and Engineering, Zhejiang University in 2005. He obtained the qualification as a senior economist ("**Senior Economist**") in 1996 from Ningbo Municipal Government. Senior Economist is a recognised qualification in the People's Republic of China ("**PRC**") and is normally granted to a person who has passed necessary examinations and has acquired substantial management experience. Mr. Wang has been serving as a director of various members of the Group since the listing of the Company's shares (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Wang is one of the two trustees and one of the beneficiaries of the Sunny Employee Trust. The Sunny Employee Trust is a trust established on 28 July 2006 on the entire issued share capital of Sun Ji Limited. Sun Ji Limited owns 92.32% equity interest in Sun Xu Limited, which in turn owns 421,460,060 shares of the Company, representing 42.15% of the issued share capital of the Company. Accordingly, Mr. Wang is deemed to be interested in 421,460,060 shares of the Company under the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (the “SFO”). Mr. Wang is also deemed to be interested as a grantee in 2,160,000 shares of the Company granted under the Restricted Share Award Scheme adopted by the Company on 22 March 2010.

Mr. Wang has entered into a service contract as an executive Director with the Company for a period of 3 years commencing from 18 May, 2010. The period of service and remuneration package under the said service contract will not be affected by the re-designation. Mr. Wang’s annual emolument remains as RMB1,318,000, which is determined by the Board by reference to his duties and responsibilities with the Company after the re-designation becoming effective and the Company’s remuneration policy although his annual emolument is subject to any future adjustment that the Board and the Remuneration Committee may deem appropriate and approve by reference to his new duties and responsibilities with the Company, the Group’s performance and profitability, remuneration benchmark in the industry and the prevailing market conditions. The Company will enter into a supplemental service contract with Mr. Wang in relation to his re-designation as the Honorary Chairman and a non-executive Director of the Company.

Save as disclosed above, Mr Wang (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of SFO; and (v) there is no information relating to Mr. Wang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders in relation to the re-designation of Mr. Wang.

Biography of Mr. Ye

Mr. Ye, aged 46, is one of the founders of the Company and the Group, and is also the Vice Chairman, an executive Director, a member and the Chairman of the Strategy and Development Committee of the Company. Mr. Ye is responsible for (i) formulating the Group’s policy and (ii) decision-making. Further, Mr. Ye also serves as the General Manager of Zhejiang Sunny Optics Co. Ltd* (浙江舜宇光學有限公司), a principal subsidiary of the Company engaging optical components business, and is responsible for its overall development and daily administration. Mr. Ye has been an executive Director of the Company since 2005 and was the Chief Executive Officer of the Company from 2005 to 2009. Prior to joining the Group, Mr. Ye worked for Yuyao County Chengbei Optical Instruments Factory* (餘姚縣城北光學儀器廠) in 1984 and had been its deputy general manager since 1995. Mr. Ye has obtained the qualification of Senior Economist issued by the Personnel Bureau of Yuyao City in 2004. Mr. Ye obtained a diploma from the Zhejiang Radio & TV University (浙江廣播電視大學) in 1999. Mr. Ye is a director of various members of the Group.

As at the date of this announcement, under the SFO, Mr. Ye is a beneficiary under the Sunny Employee Trust and is deemed to be interested in an aggregate of 421,460,060 shares, representing approximately 42.15% of the existing issued share capital of the Company. Mr. Ye is also deemed to be interested as a grantee in 918,000 shares of the Company granted under the Restricted Share Award Scheme.

Mr. Ye has entered into a service contract as an executive Director with the Company for a period of 3 years commencing from 18 May, 2010. The period of service and remuneration package under the said service contract will not be affected by the re-designation. Mr. Ye's annual emolument remains as RMB1,102,000, which is determined by the Board by reference to his duties and responsibilities with the Company after the re-designation becoming effective and the Company's remuneration policy although his annual emolument is subject to any future adjustment that the Board and the Remuneration Committee may deem appropriate and approve by reference to his new duties and responsibilities with the Company, the Group's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions. The Company will enter into a supplemental service contract with Mr. Ye in relation to his re-designation as the Chairman of the Company.

Save as disclosed above, Mr. Ye (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of SFO; and (v) there is no information relating to Mr. Ye that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders in relation to the re-designation of Mr. Ye.

Biography of Mr. Sun

Mr. Sun, aged 39, is currently an executive Director and the Deputy Chief Executive Officer of the Company. Mr. Sun is responsible for the management of the financial, legal, human resources, daily administration and investor relations matters of the Group. Mr. Sun graduated from Ningbo University in 1995 with a bachelor's degree in economics. He then obtained a master's degree in economics from Shanghai University of Finance and Economics in 2005. Prior to joining the Group in March 2003, Mr. Sun once worked in Ningbo Securities Company Limited* (寧波證券有限公司). Mr. Sun has obtained a qualification for providing securities investment consultation services in China by China Securities Regulatory Commission in 1999. Prior to the Listing, Mr. Sun had been the chief officer of the strategy and investment management centre, the assistant to the president and the acting chief financial officer of Sunny Group Limited* (舜宇集團有限公司), which once owned certain interests in members of the Group before the Listing. He ceased to hold any position in Sunny Group Limited since January 2007. Mr. Sun is a director of various members of the Group.

As at the date of this announcement, Mr. Sun is a beneficiary under the Sunny Employee Trust and is deemed to be interested in an aggregate of 421,460,060 shares, representing approximately 42.15% of the existing issued share capital of the Company under SFO. Mr. Sun is also deemed to be interested as a grantee in 918,000 shares of the Company granted under the Restricted Share Award Scheme.

Mr. Sun has entered into a service contract as an executive Director with the Company for a period of 3 years commencing from 15 May, 2009. The period of service and remuneration package under the said service contract will remain unchanged. Currently Mr. Sun's annual emolument is RMB909,000, which is determined by the Board by reference to his duties and responsibilities with the Company and the Company's remuneration policy although his annual emolument is subject to future adjustment that the Board and the Remuneration Committee may deem appropriate and approve by reference to his new duties and responsibilities with the Company, the Group's performance and profitability, remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, Mr. Sun (i) has not held any other directorships in any public companies the securities of which are listed in Hong Kong or overseas in the last three years; (ii) does not hold other positions in the Company or any of its subsidiaries; (iii) does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company; (iv) does not have any interest in the listed securities of the Company within the meaning of Part XV of SFO; and (v) there is no information relating to Mr. Sun that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the shareholders in relation to the re-designation of Mr. Sun.

The Board wishes to thank Mr. Wang for his contributions to the Group and welcomes his continued involvement with the Group as both the Honorary Chairman and a non-executive Director of the Company and also to express its warm welcome to Mr. Ye and Mr. Sun on their respective appointments as the Chairman and the Chief Executive Officer of the Company.

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

China, 14 March, 2012

As at the date of this announcement, the Board comprises of Mr. Wang Wenjian, Mr. Ye Liaoning and Mr. Sun Yang, who are executive directors, and Mr. Sha Ye, who is non-executive director, and Dr. Liu Xu, Mr. Zhang Yuqing and Mr. Chu Peng Fei Richard, who are independent non-executive directors.

** For identification purpose only*