

IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, 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 (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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)

GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES, PROPOSED RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of Sunny Optical Technology (Group) Company Limited to be held at Harbourview Ballroom III, 4/F., Four Seasons Hotel Hong Kong, , 8 Finance Street, Central, Hong Kong, on Wednesday 21 May 2008, at 10:00 a.m., is set out on pages 16 to 19 of this circular.

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

DEFINITIONS

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

“Annual General Meeting, or AGM”	the annual general meeting of the Company to be held at Harbourview Ballroom III, 4/F., Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday 21 May 2008 at 10:00 a.m.;
“Annual Report”	the annual report of the Company for the year ended 31 December 2007;
“Articles” or “Articles of Association”	the Articles of Association of the Company;
“Board”	the board of Directors;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)(as amended from time to time);
“Company”	Sunny Optical Technology (Group) Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	the general and unconditional mandate to be granted to the Directors at the Annual General Meeting to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution approving such mandate;
“Latest Practicable Date”	21 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Repurchase Mandate”	the general and unconditional mandate to be granted to the Directors at the Annual General Meeting to repurchase securities of the Company on the Stock Exchange of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers.



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)

Executive Directors

Mr. Wang Wenjian (*Chairman*)
Mr. Ye Liaoning
Mr. Xie Minghua
Mr. Wu Jinxian

Registered Office

Cricket Square, Hutchins Drive,
P.O. Box 2681GT
George Town, Grand Cayman
British West Indies

Non-executive Directors

Mr. Shao Yangdong (*Vice Chairman*)
Mr. Ricks Michael

Principal Place of Business in Hong Kong

Unit 603, 6th Floor, Grand City Plaza
1-17 Sai Lau Kok Road, Tsuen Wan
New Territories, Hong Kong

Independent Non-executive Directors

Dr. Chang Mei Dick
Mr. Koji Suzuki
Dr. Liu Xu
Mr. Zhang Yuqing

21 April 2008

To Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE
NEW SHARES AND TO REPURCHASE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting relating to:

- (a) the proposed grant of the Issue Mandate and the Repurchase Mandate; and
- (b) the re-election of the retiring Directors, namely Mr. Wang Wenjian, Mr. Ye Liaoning, Mr. Xie Minghua, Mr. Wu Jinxian, Mr. Shao Yangdong, Mr. Ricks Michael, Dr. Chang Mei Dick, Mr. Koji Suzuki, Dr. Liu Xu, Mr. Zhang Yuqing.

LETTER FROM THE CHAIRMAN

ISSUE MANDATE

At the Annual General Meeting, ordinary resolutions will be proposed to grant the general mandate to the Directors to allot, issue and deal with shares up to a limit equal to 20% (i.e. 200,000,000 shares on the basis of 1,000,000,000 shares in issue as at the date of the passing of the relevant resolution assuming no issue of new Shares takes place between the date of this circular and the date of the Annual General Meeting) of the issued share capital of the Company as at the date of passing of such resolution, and adding to the Issue Mandate so granted to the Directors any Shares representing up to a maximum of 10% (i.e. 100,000,000 shares on the basis of 1,000,000,000 shares in issue as at the date of the passing of the relevant resolution assuming no issue of new Shares takes place between the date of this circular and the date of the Annual General Meeting) of the issued share capital of the Company at the date of passing of the relevant resolution after the granting of the Repurchase Mandate.

Such power to allot, issue and deal with shares in the aforesaid manner is exercisable at any time from the date of passing of the relevant resolutions until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any applicable laws, to be held; or (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by the relevant resolutions.

THE REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to renew the previous Repurchase Mandate which was granted to the Directors on 25 May 2007 and will expire on the conclusion of the Annual General Meeting, in terms set out in the notice of the Annual General Meeting, to exercise the power of the Company to repurchase its own issued Shares on the Stock Exchange or on any other stock exchange on which the Shares may be listed at any time during the period until the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any applicable laws to be held, and (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% (i.e. 100,000,000 shares on the basis of 1,000,000,000 shares in issue as at the date of the passing of the relevant resolution assuming no issue of new Shares takes place between the date of this circular and the date of the Annual General Meeting) of the issued share capital of the Company in issue on the date of passing the resolution.

An explanatory statement containing information relating to the Repurchase mandate and in compliance with the Listing Rules is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the relevant information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of the Repurchase Mandate to the Directors.

LETTER FROM THE CHAIRMAN

PROPOSED DIRECTORS FOR RE-ELECTION

The Board currently consists of ten Directors, namely Mr. Wang Wenjian, Mr. Ye Liaoning, Mr. Xie Minghua, Mr. Wu Jinxian, Mr. Shao Yangdong, Mr. Ricks Michael, Dr. Chang Mei Dick, Mr. Koji Suzuki, Dr. Liu Xu, and Mr. Zhang Yuqing.

According to Article 87(1) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but no less than one-third), shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at least once every three years. Under Article 87(2), a retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election.

Pursuant to Article 86(3), the Directors has power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board. Any Director so appointed by the Board shall hold office until the next following general meeting of the Company and shall then be eligible for re-election. Article 87(2) provides that any director appointed pursuant to Article 86(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to Article 86(3), save for Mr. Wang Wenjian, the other nine directors were all appointed by the Board as additions to the existing board, and therefore will hold office until the Annual General Meeting. As the only remaining director, Mr. Wang Wenjian shall retire pursuant to Article 87(1). Mr. Wang Wenjian, Mr. Ye Liaoning, Mr. Xie Minghua, Mr. Wu Jinxian, Mr. Shao Yangdong, Mr. Ricks Michael, Dr. Chang Mei Dick, Mr. Koji Suzuki, Dr. Liu Xu, and Mr. Zhang Yuqing are all eligible for re-election and have offered themselves for re-election at the Annual General Meeting.

The brief biographies of each of Mr. Wang Wenjian, Mr. Ye Liaoning, Mr. Xie Minghua, Mr. Wu Jinxian, Mr. Shao Yangdong, Mr. Ricks Michael, Dr. Chang Mei Dick, Mr. Koji Suzuki, Dr. Liu Xu, and Mr. Zhang Yuqing, being the Directors proposed to be re-elected at the Annual General Meeting, are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 16 to 19 of this circular. A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting in person, please complete and return the form of proxy in accordance with the instructions printed thereon to Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting 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 Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

LETTER FROM THE CHAIRMAN

Pursuant to Article 66 of the Articles of Association, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hand unless voting by way of a poll is required by the rules of the Stock Exchange (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll). A poll may be demanded:

- (a) by the chairman of the Annual General Meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the use for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the Annual General Meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding Shares conferring a right to vote at the Annual General Meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; and
- (e) or if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five percent or more of the total voting rights at such meeting.

RECOMMENDATIONS

The Directors consider that the granting of the Issue Mandate (as for the reason of providing flexibility for issuing new Shares when it is in the interests of the Company) and Repurchase Mandate (for the sake of enhancing the net asset value of the Company and/or earnings per share) and the re-election of the proposed Directors are in the best interests of the Company and the Shareholders and so recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the forthcoming Annual General Meeting.

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

REPURCHASE BY THE COMPANY OF ITS SHARES

This explanatory statement relates to Resolution no. 6 proposed to be passed at the Annual General Meeting. The statement contains all the information pursuant to the Listing Rules of the Stock Exchange of Hong Kong Limited to be given to the shareholders to enable them to make an informed decision on whether to vote for or against such a resolution.

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, a summary of which is set out below:

(i) Shareholders' approval

All proposed repurchases of securities, which must be fully paid up in the case of shares, on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by a specific approval of a particular transaction.

(ii) Source of funds

Any repurchase by a company may only be funded out of funds legally available for such purpose in accordance with its memorandum and articles of association, the applicable laws of the Cayman Islands and the Listing Rules. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(iii) Shares to be repurchased

The Listing Rules provide that the shares which are proposed to be repurchased by a company must be fully paid up.

(b) Share Capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,000,000,000 Shares of HK\$0.1 each. Subject to the passing of the ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 100,000,000 Shares (representing 10% of the issued Shares). In accordance with the applicable laws, shares repurchased by the Company would be cancelled automatically after being repurchased.

(c) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the shareholders to enable the Company to repurchase the Shares in the market. Repurchases of the Shares will only be made when the

Directors believe that such repurchases will benefit the Company and its Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

(d) Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

The Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position disclosed in this prospectus. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels.

(e) Share Prices

The highest and lowest prices at which the Shares have traded on the Stock of the eleven months preceding the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2007		
June	4.22	3.82
July	4.10	3.68
August	3.80	2.30
September	3.62	3.08
October	3.58	2.70
November	3.10	2.70
December	3.00	2.60
2008		
January	2.99	2.02
February	2.54	1.98
March	2.48	2.10
April (up to 9 April 2008)	2.20	1.89

(f) Director's undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Companies Law, any other applicable laws of the Cayman Islands and the Articles.

(g) General

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates, as defined in the Listing Rules, has any present intention to sell any Shares to the Company or its subsidiaries.

No connected person, as defined in the Listing Rules, has notified the Company that he or she has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised. If, as a result of a securities repurchase pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or a group of shareholders acting in concert, depending on the level of increase of shareholders' interest, could obtain or consolidate control of the company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Exercise in full of the Repurchase Mandate would result in an increase in the percentage of the Shares held by Sun Xu from approximately 42.15% to approximately 46.92% assuming no exercise of over-allotment option and Sun Xu would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Exercise in full of the Repurchase Mandate would also result in the reduction of the amount of shares held by the public to less than 25%. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

The Company has not made any repurchase of its own Shares in the past six months.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations under the Takeovers Code or reducing the amount of shares held by the public to less than 25% under the Listing Rules.

The biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out as follows: Mr. Wang Wenjian, Mr. Ye Liaoning, Mr. Xie Minghua, Mr. Wu Jinxian, Mr. Shao Yangdong, Mr. Ricks Michael, Dr. Chang Mei Dick, Mr. Koji Suzuki, Dr. Liu Xu, and Mr. Zhang Yuqing.

Mr. Wang Wenjian (王文鑒), aged 60 is one of the founders of the Group, an executive Director and chairman of the Board. He is responsible for the overall formulation of policies, decision-making and management of the Group. Mr. Wang joined 餘姚縣城北光學儀器廠 (Yuyao County Chengbei Optical Instruments Factory*) 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 won the essay competition on running business in the PRC organised by the State Council Development Research Center and was awarded the title of 中國經營大師 (Chinese Business Master*) in 2004. Mr. Wang obtained the title of 優秀創業企業家 (Outstanding Entrepreneur*) from 寧波市企業家協會 (Ningbo Entrepreneurs Association*) and 寧波市企業聯合會 (Ningbo Enterprise Unite League*) in 2006. Mr. Wang acted as 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 qualification as a senior economist in 1996 from 寧波市人民政府 (Ningbo Municipal Government). Senior economist is a recognised qualification in the PRC and is normally granted to a person who has passed necessary examinations and has acquired substantial management experience. Mr. Wang is currently a director of all the operating companies of the Group in the PRC.

As at the Latest Practicable Date, under the SFO, Mr. Wang is deemed to be interested in an aggregate of 479,401,000 Shares, representing approximately 47.9% of the existing issued share capital of the Company. Save as disclosed, Mr. Wang does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Wang has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which shall not be terminated within 12 months since the date of listing and is subject to rotation, retirement and re-election at Annual General Meeting pursuant to the Articles of Association. Mr. Wang's annual remuneration is HK\$600,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Wang has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Wang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Wang's re-election.

Mr. Ye Liaoning (葉遼寧), aged 42, is one of the founders of the Group, an executive Director and chief executive officer of the Company. He is responsible for formulating the Group's policy and making decisions and is also responsible for the overall daily administration of the Group. Mr. Ye joined 餘姚縣城北光學儀器廠 (Yuyao County Chengbei Optical Instruments Factory*) 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. Senior economist is a recognised qualification in

the PRC and is normally granted to a person who has passed necessary examinations and has acquired substantial management experience. Mr. Ye obtained a diploma from 浙江廣播電視大學 (Zhejiang Radio & TV University) in 1999.

As at the Latest Practicable Date, under the SFO, Mr. Ye is deemed to be interested in an aggregate of 421,460,060 Shares, representing approximately 42.1% of the existing issued share capital of the Company. Save as disclosed, Mr. Ye does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Ye has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which shall not be terminated within 12 months since the date of listing and is subject to rotation, retirement and re-election at Annual General Meeting pursuant to the Articles of Association. Mr. Ye's annual remuneration is HK\$480,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Ye has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Ye does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Ye's re-election.

Mr. Xie Minghua (謝明華), aged 60, is an executive Director. Mr. Xie is responsible for formulating the Group's policy and making decisions, in particular, in respect of the optical component business of the Group. He graduated from Hangzhou University in 1982 with a bachelor's degree in physics. Prior to joining the Group in January 2003, Mr. Xie was a senior officer in the relevant government departments and has approximately 17 years of experience in administration. Mr. Xie was appointed as the director of the Office for Restructuring the Yuyao Economy by the Standing Committee of the National People's Congress in 1990. He was then appointed as the director of the Office of the People's Government of Yuyao City in 1994, and was appointed as the Authority of Yuyao Broadcasting & TV Bureau in 1997.

Mr. Xie has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which shall not be terminated within 12 months since the date of listing and is subject to rotation, retirement and re-election at Annual General Meeting pursuant to the Articles of Association. Mr. Xie's annual remuneration is HK\$220,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Xie has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Xie does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wu does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Wu's re-election.

Mr. Wu Jinxian (吳進賢), aged 52, is an executive Director. Mr. Wu is responsible for formulating the Group's policy and making decisions, in particular, in respect of the optical instrument business of the Group. Prior to joining the Group in January 2001, Mr. Wu worked in Yuyao Optoelectronic in 1986, and was a deputy manager in 1995. Mr. Wu graduated from 餘姚市城北中學 (Yuyao Northern City Middle School*). He attended the training course on 全國質量體系與質量認證 (the State Quality System and Quality Certification*) held by China State Bureau of Quality and Technical Supervision from 1995 to 1996, and obtained qualification as qualified economist by Ningbo Bureau of Personnel in 1995.

As at the Latest Practicable Date, Mr. Wu is deemed to be interested in an aggregate of 421,460,060 Shares, representing approximately 42.1% of the existing issued share capital of the Company. Save as disclosed, Mr. Wu does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. Wu has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which shall not be terminated within 12 months since the date of listing and is subject to rotation, retirement and re-election at Annual General Meeting pursuant to the Articles of Association. Mr. Wu's annual remuneration is HK\$200,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Wu has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Wu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Wu's re-election.

Mr. Shao Yang Dong (邵仰東), aged 39, is a non-executive Director. Mr. Shao is a managing director of and has 30.19% equity interest in Chengwei Ventures Evergreen Management, LLC (being a limited liability company incorporated in the Cayman Islands comprising individual partners and members), which manages Chengwei Ventures Evergreen Advisors Fund, LLC, Chengwei Ventures Evergreen Fund, L.P., and Chengwei Partners, L.P. Mr. Shao was appointed as a director of each of Sunny Optics and Ningbo Instruments in May 2005, Sunny Zhongshan in October 2005, Sunny Opotech in November 2005 and Sunny Infrared in March 2006. Mr. Shao was a director of AAC Acoustic Technologies Holdings Inc. from March 2004 to February 2007 and currently sits on the board of Oval Technologies Holdings, Inc.. He previously worked as a financial analyst at the investment banking division of Salomon Brothers Inc. Mr. Shao obtained a bachelor's degree in economics (Magna Cum Laude) in 1993 from Columbia University, where he was elected Phi Beta Kappa. He also attended the Graduate School of Business at Stanford University and earned a master's degree in business administration in 2000. He was appointed as a non-executive Director in May 2007.

Mr. Shao has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which is subject to rotation, retirement and re-election at Annual General Meeting pursuant to the Articles of Association. Mr. Shao's annual remuneration is HK\$100,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Shao has not held any

directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Shao does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Shao's re-election.

Mr. Michael David Ricks, aged 46, is a non-executive Director. Mr. Ricks is presently the chief executive officer of Investor Growth Capital Asia Limited and also a managing director of Investor Growth Capital Inc. Investor Growth Capital Asia Limited and Investor Growth Capital Inc. are both wholly-owned subsidiaries of Investor AB. Mr. Ricks has been involved in the information technology and telecommunications business since the early 1980's, in both startups and established companies. Prior to joining Investor Growth Capital, Mr. Ricks held executive positions at several international telecommunications companies. Mr. Ricks holds a M.B.A. from the University of Chicago Graduate School of Business and a B.A. from the University of California at San Diego. Mr. Ricks currently serves as a director of a number of private companies on behalf of Investor AB.

Mr. Ricks has not held any directorship in public listed companies or other major appointments and qualifications during the past three years or any position with the Company or any of its subsidiaries. He was appointed as a non-executive Director in September 2007.

Mr. Ricks has a service contract with the Company for an initial term of three years commencing from 30 September 2007, which is subject to rotation, retirement and re-election at annual general meeting pursuant to articles of association. Mr. Ricks's annual remuneration is HK\$100,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Mr. Ricks does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Ricks does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Ricks's re-election.

Dr. Chang Mei Dick or Dr. Dick Mei Chang (張未), aged 68, is an independent non-executive Director. Dr. Chang currently sits on the board of each of AAC Acoustic Technologies Holdings Inc. and Avago Technologies Limited. Dr. Chang has over 30 years' experience in the development, manufacturing and marketing of semiconductor and optoelectronic products. He joined Hewlett-Packard Company ("HP") in 1966 and worked in HP and Agilent Technologies, Inc. (after Agilent Technologies, Inc.'s spin-off from HP) until 2005. He was the president and general manager of the Semiconductor Products Group and a senior vice president of Agilent Technologies, Inc. before he left that company. Dr. Chang graduated from the California Institute of Technology with a bachelor's degree in physics and Stanford University with a doctor's degree in philosophy. He was appointed as an independent non-executive Director in May 2007.

Mr. Chang has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which is subject to rotation, retirement and re-election at annual general meeting pursuant to articles of association. Mr. Chang's annual remuneration is HK\$200,000. The amount of

emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Chang has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Chang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chang does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Chang's re-election.

Mr. Koji Suzuki (鈴木浩二), aged 66, is an independent non-executive Director. He joined Topcon Corporation (a company listed on the Tokyo and Osaka Stock Exchanges) in 1964 and was its president from June 2002 to June 2006. He is currently an adviser to the board of Topcon Corporation. Mr. Suzuki graduated from Musashi Institute of Technology, Tokyo with a bachelor of engineering in industrial engineering management in 1964. He was the president of Japan Optical Measuring Instruments Manufacturers' Association from July 2002 to July 2006, the vice-president of Japan Medical-Optical Equipment Industrial Association from June 2002 to May 2006, and the director of Japan Surveying Instruments Manufacturers' Association from July 2002 to June 2006. He also has been a member of the Tokyo Chamber of Commerce and Industry since November 2004. He was awarded a Japan National Blue Medal of Honor in May 2006. He was appointed as an independent non-executive Director in May 2007.

Mr. Koji has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which is subject to rotation, retirement and re-election at annual general meeting pursuant to articles of association. Mr. Koji's annual remuneration is HK\$200,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Koji has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Koji does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Koji does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Koji's re-election.

Dr. Liu Xu (劉旭), aged 44, is an independent non-executive Director. Dr. Liu currently is the standing vice dean of the College of Information Science and Engineering, Zhejiang University. Dr. Liu graduated from University Paul Cezanne, France with a doctor's degree in information and material science. He was then engaged in his postdoctoral research in instrument and meter science in Zhejiang University from 1990 to 1993 where he obtained a postdoctoral certificate. Dr. Liu also holds a bachelor's degree in engineering from Zhejiang University. Dr. Liu has over 15 years' experience in education, and has been an associate professor of Zhejiang University since 1992. In 1995, he became

the head of the National Key Lab of Modern Optical Instrument. In addition, he is a director of a private company engaged in sales and manufacturing of optical engines of projection displays. He was appointed as an independent non-executive Director in May 2007.

Mr. Liu has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which is subject to rotation, retirement and re-election at annual general meeting pursuant to articles of association. Mr. Liu's annual remuneration is HK\$100,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Liu has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Liu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Liu does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Liu's re-election.

Mr. Zhang Yuqing (張余慶), aged 60, is an independent non-executive Director. Prior to joining the Group, Mr. Zhang worked in 上海港務局 (Shanghai Port Bureau*) as the head of the financial division as well as the auditing division. He was appointed as a director of 上海華源企業發展股份有限公司 (Shanghai Worldbest Industry Development Co., Ltd.*) from 2001 to 2003 and acted as its chief financial officer. Mr. Zhang graduated from 上海海運學院 (Shanghai Maritime University) in 1982 with a bachelor's degree in economics and is a certified public accountant of the Chinese Institute of Certified Public Accountants. He currently sits on the board of each of Rizhao Port Co., Ltd and Shanghai Xinmei Real Estate Co., Ltd. He was appointed as an independent non-executive Director in May 2007.

Mr. Zhang has a service contract with the Company for an initial term of three years commencing from 18 May 2007, which is subject to rotation, retirement and re-election at annual general meeting pursuant to articles of association. Mr. Zhang's annual remuneration is HK\$100,000. The amount of emoluments is determined by arm's length negotiation between the parties with reference to the prevailing market rate and the Company's policy. Other than disclosed above, Mr. Zhang has not held any directorships in any other companies listed on the Stock Exchange in the past three years. Mr. Zhang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zhang does not have any interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules in respect of Mr. Zhang's re-election.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Sunny Optical Technology (Group) Company Limited (“Company”) will be held at Harbourview Ballroom III, 4/F., Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday 21 May 2008, at 10:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions:

ORDINARY RESOLUTIONS

1. To receive and consider approval of the audited consolidated accounts and the reports of the Directors and the auditors of the Company for the year ended 31 December 2007;
2. To declare a final dividend for the year ended 31 December 2007;
3. To re-elect Directors of the Company and to authorise the Board of Directors to fix the remuneration of the Directors;
4. To authorize the Board to re-appoint Deloitte Touche Tohmatsu as the Company’s external auditors and to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

“THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:

- (i) a Rights Issue as herein after defined;
- (ii) the grant or exercise of any option under any share option schemes of the Company or any other option scheme, or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
- (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the memorandum of association and Articles of the Company; or
- (iv) any issue of shares in the Company upon the exercise of any subscription rights or conversion under the terms of any warrants of the Company or any securities of the Company which are convertible into shares of the Company;

shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution; and the authority pursuant in paragraph (a) of this Resolution shall be limited accordingly.

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, or any applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act of the Company, or any other applicable laws of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”

7. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution no. 6, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this announcement, the Board comprises of Mr. Wang Wenjian, Mr. Ye Liaoning, Mr. Xie Minghua, and Mr. Wu Jinxian, all of whom are executive Directors; Mr. Shao Yangdong and Mr. Ricks Michael, all of whom are non-executive Directors; and Dr. Chang Mei Dick, Mr. Koji Suzuki, Dr. Liu Xu, Mr. Zhang Yuqing, all of whom are independent non-executive Directors.

By order of the Board
Sunny Optical Technology (Group) Company Limited
Sun Yang
Company Secretary

Hong Kong, 21 April 2008

Principal place of business in Hong Kong:

Unit 603, 6th Floor, Grand City Plaza,
1-17 Sai Lau Kok Road, Tsuen Wan,
New Territories, Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint another person as his proxy to attend and to vote in his 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. 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 notarially certified copy thereof must be delivered to Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. 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.
4. The Register of Members of the Company will be closed from 19 May 2008 to 21 May 2008 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend to be approved at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 16 May 2008.