

IMPORTANT

If you are in any doubt as to any aspect of this document 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 document 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 AMENDMENTS TO THE ARTICLES, PROPOSED RE-ELECTION OF DIRECTORS, PROPOSED APPOINTMENT OF DIRECTOR AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of Sunny Optical Technology (Group) Company Limited to be held at Annapurna Room, 5th Floor, One Pacific Place, 88 Queensway, Hong Kong, on Friday, 15 May 2009, at 10:30 a.m., is set out on pages 14 to 21 of this document.

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 the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-07, 18th 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.

14 April 2009

DEFINITIONS

In this document, 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 Annapurna Room, 5th Floor, One Pacific Place, 88 Queensway, Hong Kong on Friday, 15 May 2009 at 10:30 a.m.;
“Annual Report”	the annual report of the Company for the year ended 31 December 2008;
“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”	7 April 2009, being the latest practicable date prior to the printing of this document for ascertaining certain information in this document;

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	People’s Republic of China;
“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 approving such mandate;
“RMB”	Renminbi, the lawful currency of PRC;
“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;
“Sun Ji”	Sun Ji Limited (舜基有限公司), a company incorporated under the Laws of the British Virgin Islands;
“Sun Xu”	Sun Xu Limited (舜旭有限公司), a company incorporated under the Laws of the British Virgin Islands; and
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE CHAIRMAN



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 2681

Grand Cayman KY1-1111

Cayman Islands

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

14 April 2009

To Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE
NEW SHARES AND TO REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE ARTICLES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED APPOINTMENT OF DIRECTOR
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this document 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;

LETTER FROM THE CHAIRMAN

- (b) the proposed amendments to the Articles;
- (c) the proposed re-election of the retiring Directors, namely Mr. Xie Minghua, Mr. Wu Jinxian, Dr. Liu Xu and Mr. Zhang Yuqing; and
- (d) the proposed appointment of Mr. Sun Yang as an executive Director.

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 Last Practicable Date 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 repurchase by the Company pursuant to the Repurchase Mandate (if granted at the AGM) provided that such amount shall not exceed 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 Last Practicable Date 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.

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 21 May 2008 and will expire at 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.

LETTER FROM THE CHAIRMAN

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 Last Practicable Date 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 document. 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.

PROPOSED AMENDMENTS TO ARTICLES

The Stock Exchange has amended the Listing Rules relating to, among other things, the use of websites for communication with Shareholders and voting at general meetings. The amendments to the Listing Rules came into effect on 1 January 2009.

Accordingly, the Directors propose to seek the approval of the Shareholders by way of passing a special resolution to be proposed at the AGM for the proposed amendments to the Articles to ensure compliance with the several amended provisions of the Listing Rules.

The full text of the special resolution containing such proposed amendments (special resolution no. 1) is set out in the AGM Notice on pages 14 to 21 of this document.

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 of the Company, 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.

Since all ten directors were elected during the last annual general meeting, one-third of them or four (4) directors shall retire from office by rotation. Mr. Xie Minghua, Mr. Wu Jinxian, Dr. Liu Xu, and Mr. Zhang Yuqing wish to retire. All of the four retiring directors are eligible for re-election and have offered themselves for re-election at the Annual General Meeting.

The brief biographies of each of Mr. Xie Minghua, Mr. Wu Jinxian, 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 document.

LETTER FROM THE CHAIRMAN

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

At the Annual General Meeting, an ordinary resolution will be put forward to the Shareholders in relation to the proposed appointment of Mr. Sun Yang as an executive Director. The biography on Mr. Sun is set out in Appendix II to this document.

If the said ordinary resolution is passed by the Shareholders, Mr. Sun's appointment as an executive Director will take effect on the date of the Annual General Meeting.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 14 to 21 of this document. 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 the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-07, 18th 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.

Pursuant to the amended Listing Rules, voting by poll is required for any resolution put to vote at the Annual General 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), the proposed amendments to the Articles, the proposed re-election and appointment of the Directors are in the best interests of the Company and the Shareholders and so recommend all Shareholders to vote in favour of all 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. 7 proposed to be passed at the Annual General Meeting. The statement contains all the information pursuant to the Listing Rules 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\$0.10 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 of association of the Company 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 the latest published audited accounts. 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 Exchange during the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
April	2.20	1.76
May	1.94	1.65
June	1.73	1.33
July	1.33	0.81
August	1.06	0.9
September	0.93	0.75
October	0.81	0.46
November	0.58	0.49
December	0.53	0.48
2009		
January	0.58	0.48
February	0.54	0.465
March	0.66	0.48
April (up to 7 April 2009)	0.71	0.62

(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 applicable laws of the Cayman Islands and the Articles.

(g) Directors, their associates and connected persons

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 renewed, granted or exercised.

(h) Effects of Takeover Code

If, as a result of Shares 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 (as defined in the Takeover Code), 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. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Sun Xu Limited ("Sun Xu") held 421,460,060 Shares being approximately 42.15% of the issued share capital of the Company. Exercise in full of the Repurchase Mandate, which is proposed to be granted at the AGM, would result in an increase in the percentage of the Shares held by Sun Xu from approximately 42.15% to approximately 46.83% 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 may also result in the reduction of the amount of shares held by the public to less than 25%.

In any event, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would give rise to the obligations to make mandatory offers under the Takeovers Code or reducing the aggregate amount of shares held by the public to less than 25% under the Listing Rules.

(i) Share repurchase made by the Company

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

DIRECTORS PROPOSED TO BE RE-ELECTED

The biographical details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out as follows: Mr. Xie Minghua, Mr. Wu Jinxian, Dr. Liu Xu, and Mr. Zhang Yuqing.

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 18 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 of the Company. Mr. Xie's annual remuneration is RMB242,000 under the said service contract. Other than disclosed above, Mr. Xie has not held any directorships in any other public companies 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. Xie 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. Xie re-election.

Mr. Wu Jinxian (吳進賢), aged 53, 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 general 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 a beneficiary entitled to 2.81% of the beneficial interests under the Sunny Employee Trust, a trust established on 28 July 2006 on the entire issued share capital of Sun Ji. As a beneficiary of the trust, he is deemed to be interested in all the equity interest that Sunny Employee Trust owns under the SFO. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 421,460,060 shares of the Company. As a controlling shareholder, Sun Ji is deemed to be interested in all the shares that Sun Xu owns under the SFO. Accordingly, Mr. Wu is deemed to be interested in 421,460,060 shares under 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 of the Company. Mr. Wu's annual remuneration is RMB234,606 under the said service contract. Other than disclosed above, Mr. Wu has not held any directorships in any other public companies 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.

Dr. Liu Xu (劉旭), aged 45, 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 Universite 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 16 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 of the Company. Mr. Liu's fixed annual remuneration is HK\$100,000 under the said service contract. Other than disclosed above, Mr. Liu does not hold any position in other members of the Group, neither does he hold any directorships in any other public companies 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 61, 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 of the Company. Mr. Zhang's fixed annual remuneration is HK\$100,000 under the said service contract. Other than disclosed above, Mr. Zhang does not hold any position in other members of the Group, neither did he hold any directorships in any other public companies 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.

EXECUTIVE DIRECTOR PROPOSED TO BE APPOINTED

Set out below are the particulars of Mr. Sun Yang who will be proposed to be appointed as executive Director at the Annual General Meeting.

Mr. Sun Yang (孫泐), aged 36, is currently the vice president and the Joint Company Secretary of the Company. He is responsible for the management of the financial, legal 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 Economics and Finance in 2005. Prior to joining the Group in March 2003, Mr. Sun once worked in 寧波證券有限責任公司 (Ningbo Securities Company Limited*). He joined 浙江舜宇(集團)股份有限公司 (Zhejiang Sunny (Group) Joint Stock Company Limited*), originally known as Yuyao County Chengbei Optical Instruments Factory, as chief officer of its investment management centre in 2002. Mr. Sun was granted a qualification for providing securities investment consultation services by China Securities Regulatory Commission in 1999.

Prior to the listing of the Shares on the Main Board of the Stock Exchange, 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 舜宇集團有限公司 (Sunny Group Limited*), which once owned certain interests in members of the Company's group before the said listing. He ceased to hold any position in Sunny Group Limited* since January 2007. Mr. Sun is currently the director of Sunny Instruments Singapore PTE. Ltd., the supervisor of both Sunny Korea Company Limited and Sunny Japan Co., Ltd., as well as the statutory auditor of Power Optics Co., Ltd., all being the subsidiaries of the Company. Save as disclosed above, Mr. Sun does not hold any positions with the Company and other members of the Group nor have any relationships with any other directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Sun had not held any directorship in any listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Sun is a beneficiary entitled to 0.84% of the beneficial interests under the Sunny Employee Trust, a trust established on 28 July 2006 on the entire issued share capital of Sun Ji. As a beneficiary of the trust, he is deemed to be interested in all the equity interest that Sunny Employee Trust owns under the SFO. Sun Ji owns 92.32% equity interest in Sun Xu, which in turn owns 421,460,060 shares of the Company. As a controlling shareholder, Sun Ji is deemed to be interested in all the shares that Sun Xu owns under the SFO. Accordingly, Mr. Sun is deemed to be interested in 421,460,060 shares under the SFO.

It is proposed that the Company will enter into a service agreement with Mr. Sun after his appointment as director of the Company for a term of 3 years commencing from 15 May 2009 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. It is proposed that Mr. Sun will receive an annual remuneration of RMB500,000 (which is determined after taking into account his qualification and working experience, as well as the prevailing market conditions) and be entitled to a discretionary bonus at the sole determination of the Board.

Save as disclosed above, there is no other information relating to the proposed appointment of Mr. Sun as an executive Director to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters concerning him that need to be brought to the attention of the Shareholders.

Note: The English names mentioned in this Appendix marked "*" are translation from their respective Chinese names. If there is any inconsistency, the Chinese names shall prevail.

NOTICE OF ANNUAL 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)

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 Annapurna Room, 5th Floor, One Pacific Place, 88 Queensway, Hong Kong on Friday, 15 May 2009, at 10:30 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 of the Company (“Directors”) and the auditors of the Company for the year ended 31 December 2008;
2. To declare a final dividend for the year ended 31 December 2008;
3. (a) To re-elect Mr. Xie Minghua and Mr. Wu Jinxian, as the executive Directors, and Dr. Liu Xu and Mr. Zhang Yuqing as the independent non-executive Directors and (b) to authorise the Board of Directors (“Board”) to fix the remuneration of the Directors;
4. To appoint Mr. Sun Yang as an executive Director and to authorise the Board to fix his remuneration;
5. To authorize the Board to re-appoint Deloitte Touche Tohmatsu as the Company’s external auditors and to fix their remuneration;
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 the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company (or securities convertible into shares of the Company, or options, warrants or similar rights to subscribe for any shares of the Company) and/or 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 and articles of association 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

NOTICE OF ANNUAL GENERAL MEETING

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).”

7. 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 its articles of association, or any other 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.”

8. 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. 6 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. 7, 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

SPECIAL RESOLUTIONS

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

“**THAT** the articles of association (“Articles”) of the Company be and are hereby amended in the following manner:

(a) Article 2(1)

- (i) By adding the following new definition in the existing Article 2(1) after the definition of “Board” or “Directors”:

““business day” a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.”

- (ii) By adding the following new definition in the existing Article 2(1) after the definition of “head office”:

““Hong Kong” Hong Kong Special Administrative Region of the People’s Republic of China.”

- (iii) By deleting the definition “ordinary resolution” in the existing Article 2(1) in its entirety and substituting therefore the following:

““ordinary resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given pursuant to Article 59.”

NOTICE OF ANNUAL GENERAL MEETING

- (iv) By deleting the definition “special resolution” in the existing Article 2(1) in its entirety and substituting therefore the following:

““special resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given pursuant to Article 59.”

(b) Article 10

- (i) By adding the word “and” after the words “shall be a quorum” in the last line of the existing Article 10(a).
- (ii) By deleting the words “on a poll” after the words “every holder of shares of the class shall be entitled” in the 1st line of the existing Article 10(b) and deleting “; and” after the words “such share held by him” in the last line of the existing Article 10(b) and inserting a full stop thereafter.
- (iii) By deleting the existing Article 10(c) in its entirety.

(c) Article 59(1)

By deleting the existing Article 59(1) in its entirety and substituting therefor the following:

“59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

(d) Article 66

By deleting the existing Article 66 in its entirety and substituting therefor the following:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll.”

(e) Article 67

By deleting the existing Article 67 in its entirety and substituting therefor the following:

“67. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

(f) Article 68

By deleting the existing Article 68 in its entirety and substituting therefor the words “Intentionally left blank.”.

(g) Bye-law 69

By deleting the existing Article 69 in its entirety and substituting therefor the words “Intentionally left blank.”.

(h) Article 70

By deleting the existing Article 70 in its entirety and substituting therefor the words “Intentionally left blank.”.

(i) Article 73

By deleting the words “whether on a show of hands or on a poll,” after the words “In the case of an equality of votes,” in the 3rd line of the existing Article 73.

NOTICE OF ANNUAL GENERAL MEETING

(j) Article 75(1)

By deleting the words “whether on a show of hands or on a poll,” after the words “persons incapable of managing their own affairs may vote,” in the 4th line of the existing Article 75(1) and by deleting the words “or poll” after the words “not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting” in the 11th line of the existing Article 75(1).

(k) Article 80

By deleting the phrase “or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll” after the phrase “the person named in the instrument proposes to vote” in the 7th line of the existing Article 80.

(l) Article 81

By deleting the words “to demand or join in demanding a poll and” after the words “proxy shall be deemed to confer authority” in the 4th line of the existing Article 81.

(m) Article 82

By deleting the words “or the taking of the poll” after the words “before the commencement of the meeting or adjourned meeting” in the last line of the existing Article 82.

(n) Article 84(2)

By deleting the words “including the right to vote individually on a show of hands” after the words “held by the clearing house (or its nominee(s))” in the last line of the existing Article 84(2).”

(o) Article 161

By adding the phrase “provided that such means are permitted by the rules of the Designated Stock Exchange” immediately after the phrase “The notice of availability may be given to the Member by any of the means set out above” in the 18th line of the existing Article 161.

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, 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. Michael David Ricks, 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
Joint Company Secretary

Hong Kong, 14 April 2009

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 Rooms 1806-07, 18th 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 12 May 2009 to 15 May 2009 (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 11 May 2009.