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SUNNY OPTICAL TECHNOLOGY (GROUP) COMPANY LIMITED

舜宇光學科技（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2382.HK)

VOLUNTARY ANNOUNCEMENT ON-MARKET SHARE REPURCHASE UNDER THE GENERAL MANDATE

This is a voluntary announcement made by Sunny Optical Technology (Group) Company Limited (the “**Company**”). The board of directors of the Company (the “**Board**”) hereby announces that on 20 August 2018, the Company, pursuant to the general mandate to repurchase shares (the “**General Mandate**”) granted by the shareholders of the Company at the annual general meeting held on 29 May 2018, repurchased an aggregate of 150,300 ordinary shares of the Company at the highest and lowest price of HK\$84.00 and HK\$83.30 per share respectively (“**Shares Repurchase**”).

The aggregate consideration (excluding commission and other expenses) for the Share Repurchase is approximately HK\$12,576,170 and was funded by the Company’s existing available cash reserves and free cash flow. The repurchased shares represent approximately 0.0137% of the existing total number of issued shares of the Company as at the date of this announcement. The Company will subsequently cancel the repurchased shares. It is expected that after the cancellation of all the repurchased shares, the total number of issued shares of the Company will be reduced to 1,096,849,700 shares.

The Board considers that the Share Repurchase is in the best interest of the Company and its shareholders as a whole. The Board is of the view that the current share price deviates from the Company’s value and the Company may make further repurchases according to market conditions, until the expiry of the General Mandate, but in any case, subject to the availability of the General Mandate. The Share Repurchase reflects the confidence of the Board and the management team in the long-term strategy and growth of the Company.

The Share Repurchase was conducted in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), the memorandum and articles of association of the Company, the Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”), the Companies Law of the Cayman Islands and all applicable laws and regulations to which the Company is subject.

As at the date of this announcement, the Board has no intention to repurchase shares of the Company to an extent that will trigger the obligations under the Takeovers Code to make a mandatory offer. The Board will ensure that the Company continues to satisfy the minimum public float requirement under the Listing Rules before and after the Share Repurchase. There have been no material changes to the particulars contained in the Explanatory Statement as set out in the circular of the Company dated 9 April 2018.

Shareholders of the Company and investors should note that any repurchase of shares of the Company made pursuant to the General Mandate will be subject to market conditions and will be at the discretion of the management of the Company. There is no assurance of the timing, quantity or price of any share repurchases or whether the Company will make any further repurchases at all. Shareholders of the Company and investors should therefore exercise caution when dealing in the shares of the Company.

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

China, 20 August 2018

As at the date of this announcement, the Board comprises Mr. Ye Liaoning, Mr. Sun Yang and Mr. Wang Wenjie, who are executive Directors; Mr. Wang Wenjian, who is non-executive Director, and Mr. Zhang Yuqing, Mr. Feng Hua Jun and Mr. Shao Yang Dong, who are independent non-executive Directors.