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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, 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)

- (1) GENERAL MANDATES TO
ISSUE NEW SHARES AND TO REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND ADOPTION OF THE NEW ARTICLES OF ASSOCIATION;
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Sunny Optical Technology (Group) Company Limited to be held at Room Paris, REF Financial Press Limited, 3/F Nexxus Building, 77 Des Voeux Road Central, Hong Kong, on Friday, 11 May 2012, at 10:30 a.m., is set out on pages 14 to 20 of this circular. A form of proxy for the Annual General Meeting is enclosed herewith. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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.

30 March 2012

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 Room Paris, REF Financial Press Limited, 3/F Nexxus Building, 77 Des Voeux Central, Hong Kong on 11 May 2012 at 10:30 a.m.;
“Annual Report”	the annual report of the Company for the year ended 31 December 2011;
“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, the lawful currency of Hong Kong;
“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”	23 March 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The 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 Shares 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 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. Ye Liaoning (*Chairman*)

Mr. Sun Yang (*Chief Executive Officer*)

Non-executive Directors

Mr. Wang Wenjian (*Honorary Chairman*)

Mr. Sha Ye

Independent Non-executive Directors

Mr. Chu Peng Fei Richard

Dr. Liu Xu

Mr. Zhang Yuqing

Registered Office

Cricket Square, Hutchins Drive

P.O. Box 2681, George Town

Grand Cayman KY1-1111

Cayman Islands

*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

30 March 2012

To Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATES TO
ISSUE NEW SHARES AND TO REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND ADOPTION OF NEW ARTICLES OF ASSOCIATION;
AND
(4) 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;

LETTER FROM THE CHAIRMAN

- (b) the re-election of the retiring Directors, namely Mr. Wang Wenjian, Mr. Ye Liaoning and Mr. Zhang Yuqing; and
- (c) the amendments to the existing Articles of Association and the adoption of the new Articles of Association.

ISSUE MANDATE

At the Annual General Meeting, ordinary resolutions will be proposed to grant the Issue 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 Latest 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 repurchased by the Company pursuant to the Repurchase Mandate (if granted at the Annual General Meeting) 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 Latest 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 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.

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 9 May 2011 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 the relevant 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

LETTER FROM THE CHAIRMAN

place between the Latest Practicable Date and the date of the Annual General Meeting) of the issued share capital of the Company in issue as at the date of passing the relevant 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 the Shareholders 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 DIRECTORS FOR RE-ELECTION

The Board currently consists of seven Directors, namely Mr. Ye Liaoning, Mr. Sun Yang, Mr. Wang Wenjian, Mr. Sha Ye, Mr. Chu Peng Fei Richard, 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. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless otherwise agree among themselves) be determined by lot.

Pursuant to the Articles of Association, Mr. Wang Wenjian, Mr. Ye Liaoning and Mr. Zhang Yuqing shall retire from office by rotation and being eligible for re-election, they have offered themselves for re-election at the Annual General Meeting.

The brief biographies of each of Mr. Wang Wenjian, Mr. Ye Liaoning 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.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Board proposes to seek the approval of the Shareholders by way of special resolution for the amendments to the existing Articles of Association and the adoption of the new Articles of Association by consolidating the proposed amendments and all previous amendments made to the Articles of Association pursuant to resolutions passed by the Shareholders at general meetings, so as to bring the constitution of the Company in line with current amendments made to the Listing Rules, including amendments to the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules.

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Details of the proposed amendments to the existing Articles of Association are set out in the notice of Annual General Meeting contained in this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the proposed amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments for a Cayman Islands company listed on the Stock Exchange.

The proposed amendments to the exiting Articles of Association and the adoption of the new Articles of Association by consolidating the proposed amendments and all previous amendments made to the Articles of Association pursuant to resolutions passed by the Shareholders at general meetings are subject to the Shareholders' approval by way of a special resolution at the Annual General Meeting.

Shareholders are advised that the Articles of Association are now available only in English and the Chinese translation of the amendments to the Articles of Association provided in the notice of the Annual General Meeting in Chinese is for reference only. In case of any inconsistency, the English version shall prevail.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 14 to 20 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 the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 Listing Rules, voting by poll is required for any resolution put to vote at the Annual General Meeting, except where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company on the date of the Annual General Meeting in the manner as prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE CHAIRMAN

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

The Directors consider that the granting of the Issue Mandate will provide flexibility to the Company when it is in the interests of the Company to issue new Shares and that the Repurchase Mandate will enhance the net asset value of the Company and/or earnings per share; the proposed re-election of Directors, the proposed amendments to the Articles of Association and the adoption of the new Articles of Association set out in the notice of Annual General Meeting are in the interests of the Company and Shareholders as a whole. Accordingly the Directors 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

Ye Liaoning

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 to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against such 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 Annual General Meeting, 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 Articles of Association of the Company, 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 were 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>
2011		
April	2.63	2.35
May	2.42	2.10
June	2.35	1.92
July	2.28	1.94
August	2.21	1.55
September	1.87	1.35
October	1.90	1.22
November	1.88	1.67
December	2.00	1.76
2012		
January	1.95	1.73
February	2.66	1.77
March (up to the Latest Practicable Date)	3.11	2.52

(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 or granted.

(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 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 Annual General Meeting, would result in an increase in the percentage of the Shares held by Sun Xu from approximately 42.15% to approximately 46.83%. To the best knowledge and belief of the Directors, such increase may give rise to an obligation for Sun Xu 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%.

However, 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. Wang Wenjian

Mr. Wang Wenjian (王文鑾), aged 64, is one of the founders of the Group, a non-executive Director and the Honorary Chairman of the Board. Mr. Wang joined 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 was awarded the title of Chinese Business Master by the State Council Development Research Center in 2004. Mr. Wang obtained the title of Outstanding Entrepreneur from Ningbo Entrepreneurs Association and 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 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 various members of the Group.

Mr. Wang has a renewed service contract with the Company (which was supplemented by supplemental agreement dated 15 March 2012) for a further term of three years commencing from 18 May 2010, which is subject to rotation, retirement and re-election at annual general meetings pursuant to the Articles of Association. Mr. Wang's annual remuneration is RMB1,318,000 under the said service contract. 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 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. Save as disclosed in this circular and the Annual Report, Mr. Wang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date and according to the information received by the Company pursuant to Part XV of the SFO, Mr. Wang is deemed to be interested in an aggregate of 423,620,060 Shares under the SFO, representing approximately 42.36% 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.

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

Mr. Ye Liaoning (葉遼寧), aged 46, is one of the founders of the Group, the Chairman, an executive Director and the chairman of the Strategy and Development Committee. He is responsible for formulating the Group's policy and making decisions. Mr. Ye joined 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 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 Zhejiang Radio & TV University in 1999. Mr. Ye is currently a director of various members of the Group.

Mr. Ye has a renewed service contract with the Company (which was supplemented by supplemental agreement dated 15 March 2012) for a further term of three years commencing from 18 May 2010, which is subject to rotation, retirement and re-election at annual general meetings pursuant to the Articles of Association. Mr. Ye's annual remuneration is RMB1,102,000 under the said service contract. 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 does not hold any directorships in any other public companies in the past three years. Save as disclosed in this circular and in the Annual Report, Mr. Ye does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date and according to the information received by the Company pursuant to Part XV of the SFO, Mr. Ye does not have any interests in the Shares 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. Ye's re-election.

Mr. Zhang Yuqing

Mr. Zhang Yuqing (張余慶), aged 64, 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 renewed service contract with the Company for a further term of three years commencing from 18 May 2010, which is subject to rotation, retirement and re-election at annual general meeting pursuant to the 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 public companies in the past three years. Save as disclosed in this circular and the Annual Report, 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 and according to the information received by the Company pursuant to Part XV of the SFO, Mr. Zhang does not have any interests in the Shares or any of its associated corporations within the meaning of Part XV of the SFO.

The Company has received from Mr. Zhang an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers Mr. Zhang independent.

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.

Note: The English names mentioned in this section marked "*" are translations of their respective Chinese names. In case of 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 (the “Company”) will be held at Room Paris, REF Financial Press Limited, 3/F Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Friday, 11 May 2012, 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 (the “Directors”) and the auditors of the Company for the year ended 31 December 2011;
2. To declare a final dividend for the year ended 31 December 2011;
3. (a) To re-elect Mr. Wang Wenjian as a non-executive Director;
(b) To re-elect Mr. Ye Liaoning as an executive Director;
(c) To re-elect Mr. Zhang Yuqing as an independent non-executive Director; and
(d) To authorise the Board of Directors (the “Board”) to fix the remuneration of the Directors;
4. To re-appoint Deloitte Touche Tohmatsu as the Company’s external auditors and to authorize the Board 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,

NOTICE OF ANNUAL GENERAL MEETING

issue or otherwise 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/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;

(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.

NOTICE OF ANNUAL GENERAL MEETING

“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 or any class thereof on the register on a fixed record date in proportion to their holdings of such shares or class of shares thereof (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).”

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 (or securities convertible into its shares), subject to and in accordance with the applicable laws and regulations, 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 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.”

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

NOTICE OF ANNUAL GENERAL MEETING

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 as referred to in the above Resolution No. 6.”

SPECIAL RESOLUTION

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

(a) **“THAT** the articles of association of the Company (the “Article(s)”) be amended in the following manner:

(i) Article 2

(A) By inserting the following new definition in the existing Article 2(1):

““substantial shareholder”	a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”
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(B) By inserting the following new paragraph (i) in the existing Article 2(2):

“(i) Section 8 of the Electronic Transactions Law (2003) of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles.”

(ii) Article 44

By replacing the words “at least two (2) hours on every business day” in the first sentence of the existing Article 44 with the words “at least two (2) hours during business hours”.

(iii) Article 59

By inserting the words “and particulars of resolutions to be considered at the meeting” after the words “The notice shall specify the time and place of the meeting” in the first sentence of the existing Article 59(2).

(iv) Article 66

Deleting the existing Article 66 in its entirety and replacing with the following:

“66. (1) 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,

NOTICE OF ANNUAL GENERAL MEETING

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 save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
 - (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
 - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
 - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the 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.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member.”

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(v) **Article 67**

By inserting the following at the beginning of the existing Article 67:

“Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”

(vi) **Article 84**

By inserting the following at the end of the existing Article 84(2):

“including, where a show of hands is allowed, the right to vote individually on a show of hands”

(vii) **Article 103**

(A) By inserting “or” at the end of paragraph (vi) under the existing Article 103(1) after “;”;

(B) By deleting the existing paragraph (v) under the existing Article 103(1) in its entirety and re-numbering the existing Article 103(1)(vi) as Article 103(1)(v);

(C) By deleting the existing Articles 103(2) and 103(3) in their entirety and re-numbering the existing Article 103(4) as Article 103(2).

(viii) **Article 122**

By inserting the following sentence at the end of existing Article 122:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”

- (b) **“THAT** the Articles of the Company in the form of the document marked “X” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates the amendments referred in Resolution 8(a) above and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be approved and adopted as new Articles of the Company in substitution for and to the exclusion of the existing Articles of the Company with immediate effect.”

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, the Board comprises of Mr. Ye Liaoning and Mr. Sun Yang, all of whom are executive Directors; Mr. Wang Wenjian and Mr. Sha Ye, whom are non-executive Directors; and Mr. Chu Peng Fei Richard, Dr. Liu Xu and Mr. Zhang Yuqing, all of whom are independent non-executive Directors.

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

Hong Kong, 30 March 2012

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 (or at any adjournment thereof) may appoint another person as his/her proxy to attend and to vote in his/her 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. Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
3. 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. 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.
5. The Register of Members of the Company will be closed from 8 May 2012 to 11 May 2012 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 May 2012.
6. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited, all resolutions set out in this Notice will be decided by poll at the above meeting.
7. A form of proxy for use at the above meeting is enclosed.