**THIS TRUST DEED** is made the 2nd day of July, Two Thousand and Eleven

**BETWEEN**:

1. MR. WANG WENJIAN (holder of PRC passport G17858219) of Group 3, Baojia, Dongbei Jiedao, Yu Yao, Zhejiang Province, China (the “ Present Trustee”); and
2. THE PERSONS LISTED ON THE SECOND COLUMN OF SCHEDULE 1 OF THIS DEED (the “Protectors”); and
3. THE PERSONS LISTED ON THE SECOND COLUMN OF SCHEDULE 2 OF THIS DEED (the “Present Beneficiaries”).

**WHEREAS:**

1. A group of employees of Sunny Group who contributed the Trust Assets has entered into a Trust Deed with the Present Trustee on 28 July 2006 (the **“Original Trust Deed ”**), constituting a trust known as The Sunny Group Employee Offshore Trust (舜宇集团员工海外信托) (the **“Trust”**) in line with the listing application of Sunny Optical Technology (Group) Company Limited (“Sunny Optical”).
2. The said group of employees of Sunny Group who contributed the Trust Assets had already paid, transferred, or delivered the Trust Assets to the Present Trustee to set up the Trust. The Present Trustee shall hold the Trust Assets on trust in accordance with the power conferred to it by, and subject to the provisions of the Original Trust Deed.
3. Sunny Group was listed on the Hong Kong Stock Exchange on 15 June 2007. The stock code is 02382.HK.
4. In pursuant to Clauses A3.2 and A3.3 of the Original Trust Deed, the Appointor of the Original Trust Deed had on several occasions recommended to add to the Beneficiaries or to increase the portion of the Beneficial Entitlement of a Beneficiary in the Trust, or to exclude any Beneficiary from future benefit, or to reduce the portion of the Beneficial Entitlement of a Beneficiary in the Trust. Such recommendations had been approved after obtaining consent of the Beneficiaries who held 75% or more of the Beneficial Entitlement in the Trust Fund at the time particulars of which are set out in Schedule 3.
5. Additional protector has been appointed in accordance with the relevant provisions of the original Trust Deed. List of all the present protectors is set out in Schedule 1.
6. In order to ensure the effective administration of the Trust, with the unanimous consent of the Present Beneficiaries, the parties hereto agree to amend and to restate the provisions of the Original Trust Deed by signing this Trust Deed.

**NOW THIS DEED WITNESSES as follow:**

1. DEFINITIONS AND INTERPRETATION

* 1. In this Trust Deed, the following words and expressions shall the following meanings.

“Beneficiary” means Beneficiaries of the Trust, including the persons listed on Schedule 2 and any person who acquires a beneficial entitlement in the Trust Fund in accordance with the provisions of this Trust Deed;

“Trustee” means the Present Trustee and any other trustee appointed from time to time in accordance with the provisions of this Trust Deed;

“Protector” means the persons listed on Schedule 1 and any person appointed as a Protector in accordance with the provisions of this Trust Deed;

“Protective Committee: means a committee formed by all of the Protectors;

“Sun Ji” means Sun Ji Limited, a company incorporated in the British Virgin Islands whose registered address is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. As as the date hereof, its authorized share capital is USD2,000,000, divided into 200,000,000 shares each with a par value of USD0.01, and its issued share capital is USD1,182,834.68, divided into 118,283,468 shares each with a par value of USD 0.01.

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

“Listing Rules” means the Rules governing the Listing of Securities on the Hong Kong Stock Exchange;

 “Employee Shareholding Mechanism” means the documents including “Framework agenda

for mechanism for realization of Sunny individual Shareholder shareholding” and “Implementation details for realization of the Beneficial Entitlement of the Beneficiaries of the Sunny Group Employee Offshore Trust”, “Sunny Group Ltd. share options incentive scheme” that determine the Sunny Optical Employee Shareholding Mechanism, and updated by the Company Specialised Department from time to time;

“Company Specialised Department” means the specialised department appointed by Sunny Optical for the purpose of implementation of the Employee Shareholding Mechanism, and supervision of the enforcement of the Employee Shareholding Mechanism;

“China” means the People’s Republic of China;

”Register of Beneficiaries” means the record showing data on each of the Beneficiaries (including their names, beneficial entitlement) which is kept by the Trustee;

“Beneficial Entitlement” means the beneficial entitlement of the Beneficiaries, particulars of each respective entitlement as at the date hereof are listed on the third column of Schedule 2, or as adjusted in accordance with the transfers and redemptions made by the Beneficiaries from time to time.

“Renminbi’ means Renminbi, the lawful currency of the People’s Republic of China;

“Trust Period” means the period beginning from the date of this Trust Deed and ending upon the first to happen of the following:

1. 100 years from the date of the signing of the Original Trust Deed;

b) such date of early termination pursuant to Clause 10 of this Trust Deed;

“Trust Fund” means the Trust Assets and the Trust Income;

“Trust Assets” means 118,283,468 shares in Sun Ji with par value of USD 0.01 and further assets paid, transferred, or delivered to the Trustee for the settlement in this Trust;

“Trust Income’ means such part belonging to the income of the Trust

 Fund;

“Special Resolution” means a resolution of the Protective Committee passed by at least ¾ of the Protectors;

“USD” means United States Dollar, the lawful currency of the United States of America

* 1. Headings

The headings are inserted for convenience only and shall not define, limit, or expand the scope of any provisions of this Trust Deed.

* 1. Severability

In the event that any provision or provisions of this Trust Deed are unenforceable, any such provision shall not affect the enforceability of other provisions and such other provisions shall continue to be enforceability.

2 TRUST

2.1 Trust Arrangement

Subject to the Listing Rules, during the Trust Period, the Trustee shall hold the Trust Assets upon trust for the benefit of the Beneficiaries in accordance to the provisions of this Trust Deed and the Employee Shareholding Mechanism.

2.2 Undivided rights and interests

The rights and interests of the Beneficiary shall constitute an undivided portion of the Trust Fund. Any Beneficiary being a beneficiary of the Trust Fund and as such shall not give him a direct ownership or enjoyment of any parts of the asset owned by the Trust Fund.

2.3 Trust for Sale

Subject to the Listing Rules, during the Trust Period, the Trustee shall hold the assets making up the Trust Fund from time to time, including any investments, movable and immovable property upon trust for the benefit of the Beneficiaries according to their respective Beneficial Entitlement. The Trustee shall follow the decisions made by Special Resolutions on sale or postponement for sale of the assets in the Trust Fund.

Subject to the Listing Rules, during the Trust Period, the Trustee shall hold the income derived from the assets making up the Trust Fund from time to time, including any investments, movable and immovable property and any other moneys making up the Trust Fund from time to time upon trust for the benefit of the Beneficiaries according to their respective Beneficial entitlement. The Trustee shall follow the decisions made by the Special Resolutions on directions of investments and change of any investments to other investments authorized by the Trust Deed from time to time.

3 Changes in Beneficiary and Beneficial Entitlement

3.1 Transfer of Beneficial Entitlement

Subject to the Listing Rules and the Employee Shareholding Mechanism, a Beneficiary shall have the power to transfer his Beneficial Entitlement in whole or in part to any person. Such transfer shall be made in accordance with the procedures stated in the Employee Shareholding Mechanism.

3.2 Redemption of Beneficial Entitlement

Subject to the Listing Rules and the Employee Shareholding Mechanism, the Trustee shall have the power to distribute to a Beneficiary his Beneficial Entitlement in whole or in part. Any such distribution made shall at the same time be deducted from the Beneficial Entitlement of that Beneficiary. Such redemption shall be made in accordance with the procedures stated in the Employee Shareholding Mechanism.

3.3 Change in Beneficiaries or Beneficial Entitlement

Subject sub-clauses 3.1 and 3.2, the Trustee shall not add to the Beneficiaries or exclude any Beneficiary from future benefit except in accordance with the relevant provisions of the Employee Shareholding Mechanism. In such circumstance, the Trustee may with the consent of Sunny Optical add to the Beneficiaries or exclude any Beneficiary from future benefit or increase or reduce any portion of Beneficial Entitlement.

3.4 Succession Arrangement

In the event of the death of any Beneficiary, the legal representatives of that deceased Beneficiary in accordance with the will of that deceased Beneficiary or any applicable succession laws may request the Trustee to transfer the Beneficial Entitlement of that deceased’s beneficiary to his legal successors.

3.5 Update the Register of Beneficiaries

The Trustee shall update the Register of Beneficiaries within 14 working days of the completion of any changes in the Beneficial Entitlement.

3.6 Update the Number of Issued Shares

In accordance with the total number of the Beneficial Entitlement at the time and after verification with the Company Specialised Department, the Trustee shall urge Sun Ji to adjust its total number of issued shares to the total number of Beneficial Entitlement as at the 31 December of every year.

4 Appointment and Removal of Trustee

4.1 A Trustee shall have the power to either alone or jointly nominate anyone (a person or a company) to be a new or additional trustee. After obtaining the consent of the Beneficiaries who hold 75% or more of the Beneficial Entitlement in total, such nominated party shall be appointed as the trustee.

4.2 The office of a trustee shall be determined and vacated uponpassing of a Special Resolution by a Protective Committee if that trustee, being an individual, is found to be a lunatic or unsound mind or becomes subject to any proceedings under the insolvency or bankruptcy laws applicable to that trustee or is dead, or if that trustee, being a company, shall enter into liquidation whether compulsory or voluntary (not being merely a voluntary liquidation for the purpose of amalgamation or reconstruction). The Protective Committee shall not refuse to pass the Special Resolution without any reasonable grounds.

4.3 Any Protector shall have the power to make recommendation of removing a Trustee from the Protective Committee. Once the recommendation is approved by a Special Resolution, it shall be submitted to the Beneficiaries for voting. After obtaining the consent of the Beneficiaries who hold 75% or more of the Beneficial Entitlement in total, that protector shall be removed from the office of a protector.

5 Responsibilities of the Trustee

5.1 In the execution of the Trust, no Trustee or persons appointed by the Trustee or any person related to the Trustee shall be liable for any depreciation, loss, failure to appreciate in value, or loss of profits of the Trust Fund resulting from the investment decisions or omissions made in good faith (except for losses or loss of profits arising from fraud, willful conduct, or gross negligence).

5.2 Any Trustee or any person appointed by a Trustee or any person related to a Trustee shall be indemnified to the fullest extent permitted by law and shall be entitled to be reimbursed out of the Trust Fund for any responsibility (personal or otherwise) resulting from the Trustee or the appointed person or the related person carrying out an instruction from the Protector, the Company Specialised Department, and/or the Beneficiaries.

5.3 The Trustee shall rely without further enquiry any information supplied by the Company Specialised Department and its officers to ensure that any changes in the Beneficiaries and the Beneficial Entitlement have complied with rules governing the Employee Shareholding Mechanism.

6 Protective Committee

6.1 Any Protector shall have the power to nominate to the Trustee anyone (a person or a company) to be a new or additional protector. The Trustee shall uponpassing of a Special Resolution by the Protective Committee, recommend the nominated party to the Beneficiaries to be the new or additional protector. After obtaining the consent of the Beneficiaries who hold 75% or more of the Beneficial Entitlement in total, the nominated party shall be appointed as a protector.

6.2 Any Protector shall have the power to recommend to the Trustee to remove any other Protector. When the recommendation has been approved by a Special Resolution, The Trustee, uponpassing of a Special Resolution by the Protective Committee, shall submit such recommendation to the Beneficiaries for voting. After obtaining the consent of the Beneficiaries who hold at least 75% or more of the Beneficial Entitlement in total, that protector shall be removed and ceased to be a protector.

6.3 A Protector may retire from the office of a protector by giving notice in writing to the Trustee.

6.4 The Protector shall cease to be the protector on if he is found to be lunatic or unsound mind, or becomes subject to any proceedings under the insolvency or bankruptcy laws applicable to that protector or is dead. The Protector Committee shall appoint a new protector in accordance with Clause 6.1.

6.5 If at any time there is more than one Protector, save and except for matters required for Special Resolutions, the Protective Committee shall act by clear majority of the Protectors.

6.6 The Protective Committee shall have power from time to time by instrument in writing to the Trustee revocable during the Trust Period or irrevocable to release any powers hereby conferred on the Protective Committee, or to any extent restrict the future exercise of any powers hereby conferred on the Protective Committee.

6.7 The Protective Committee shall have the same rights as the Beneficiaries to the information of the Trust.

6.8 A Protector may exercise any power conferred to him by the Trust, irrespective of whether that will or might result in any Protector benefiting directly or indirectly.

6.9 The Protector shall be relieved from liability of any loss or loss of profit of the Trust Fund made in good faith except fraud or willful misconduct of that protector.

7 Remuneration

7.1 Any Trustee which is a company is entitled to remuneration for its service in accordance with its general terms and conditions in force from time to time (in addition to the reimbursement of its proper costs, expenses and other liabilities). That company or any person related to this company if he is a banker, broker, investment consultant, or in the business of providing other professional or general services shall not have to provide a justification to any profits it made in the course of providing any services to the Trust in its specific role.

7.2 Any Trustee or any person related to a Trustee if he is a solicitor, barrister, legal consultant, accountant, or in the business of providing other professional services shall have the right to be remunerated from the Trust Fund for the work done or his firm, his employees, or his partners time spent to provide services to the Trust based on their normal professional and other fees.

7.3 Any Trustee or any person related to a Trustee shall have the right to retain any commissions that he will or may receive; irrespective of whether such commissions are directly or indirectly resulted from his dealing with assets owned or may be owned by the Trust.

8 Powers and Immunities

8.1 The Trustee shall have all the powers of an absolute beneficial owner of the Trust Fund. Without prejudice to such powers and all the statutory powers and immunities conferred to it, the Trustee shall have all the powers and immunities conferred to it by this Trust Deed and Appendix 1.

8.2 If there is more than one Trustee, the execution or exercise of all or any powers and discretions hereby or by law or otherwise conferred on the Trustee shall be act jointly by all the Trustees. If there is any difference between the Trustees, the decision of the Present Trustee shall prevail.

8.3 No Trustee shall delegate to any person the execution or exercise of all or any powers or discretions hereby conferred on the Trustee without passing of a Special Resolution by the Protective Committee.

9 Variation and Amendment

9.1 The Trustee, with the unanimous consent of all the Trustees, shall have the power to vary or amend any provisions of this Trust Deed that appears to have manifest mistake as the Trustee may consider appropriate.

9.2 With the passing of a Special Resolution, the Trustee may vary or amend any provisions of Appendix1 or to add any provisions of an administrative character.

9.3 With the consent of Beneficiaries who hold 75% or more of the Beneficial Entitlement in total, the Trustee may amend or vary any provisions of this Trust Deed.

10 Termination of the Trust

10.1 Termination of the Trust by the Trustee

 The Trustee, with unanimous consent of all the Trustees, may terminate the Trust by making a declaration in writing at any time or times that any date to be the end of the Trust Period(not a date earlier than the date of execution of that written declaration) .

10.2 Termination of the Trust by the Beneficiaries

 The Trust may be terminated with the consent of the Beneficiaries who hold 75% or more of the Beneficial Entitlement in total.

10.3 Final Settlement

 The termination of the Trust shall have the same effect as winding up, liquidation or dissolution of a company. After termination of the Trust, the Trustee shall, after deducting all the expenses and liabilities (including those expenses incurred before and during the termination), distribute the net Trust Fund (or all assets that made up the Trust Fund or the net proceeds of the sale of the Trust Fund) to the Beneficiaries according to their respective Beneficial Entitlement at the time.

11 Irrevocability

 This Trust shall be irrevocable.

12 Governing Law

 This Deed shall be governed by the laws of Hong Kong. The Courts of Hong Kong shall have nonexclusive jurisdiction in all matters arising out of or in connection with this Deed.

IN WITNESS whereof the parties listed below, on the Schedule 1 and the second column of Schedule2 have executed this Deed on the date hereinbefore written.

**SIGNED, SEALED** AND **DELIVERED** by )

Wang, Wenjian )

as the Present Trustee )

in the presence of: )

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Appendix1

Powers and Duties of the Trustee

1. General Power of Investment

Any money needs to be invested under this Trust Deed may be applied in any investment or vehicle (including purchase of any movable or immovable assets or any interests therein) as the Trustee shall in its absolute discretion think fit.

1. No Duty to Maintain Balance or to Diversity Investment

The Trustee shall not be under any obligation to maintain a balance between capital and income of the Trust Fund. The Trustee shall not be under any obligation to diversity the investments of the Trust Fund.

1. No Duty to Supervise Company

The Trustee shall not be under any duty to appoint any representative to be a member of the board of director of any company or any of its subsidiaries of which are comprised in the Trust Fund even if ownership rights carrying control of that company or any subsidiaries of that company are comprised in the Trust Fund. The Trustee shall not be under any duty to enquire, supervise, or participate in the management, affairs, or businesses of that company or any of its subsidiaries.

4 The Power to act as a director and company employee

Any Trustee or any officer or employee of anyTrustee may be employed and remunerated as a director or officer or employee of any company in any way connected with the Trust Fund. He may also retain any remuneration or fee received by him in any such capacity as a director, officer or employee.



5 Disclosure

Subject to any rule of law and compliance with any order from a court have the specified jurisdiction to the contrary, the Trustee shall not be under any obligation to disclose to anyone any documents or other information in connection to this Trust.