

INVITATION

**Invitation to the
Annual General Meeting**

Sunways Aktiengesellschaft, Constance
WKN 733220, ISIN DE0007332207

on Thursday, 24 May 2007, 10:00 a.m.
at the Steigenberger Inselhotel
Auf der Insel 1
D - 78462 Konstanz

Sunways
Photovoltaic Technology

Agenda

1. Presentation of the adopted financial statements and approved consolidated financial statements as of 31 December 2006, the management report and Group management report as well as the report of the Supervisory Board on the fiscal year 2006

2. Resolution on the formal approval of the actions of the members of the Management Board for the fiscal year 2006

The Management Board and Supervisory Board propose to grant formal approval of the actions of the members of the Management Board for the fiscal year 2006.

3. Resolution on the formal approval of the actions of the members of the Supervisory Board

Resolution on the formal approval of the actions of the members of the Supervisory Board.

4. Election of Supervisory Board member

Pursuant to §§ 95, 96, subparagraph 1, 101, subparagraph 1 of the Stock Corporation Act (AktG) in conjunction with § 8, subparagraph 1 of the Articles of Incorporation, the Supervisory Board is composed of six members elected by the General Meeting.

The term of office of the Chairman of the Supervisory Board, Prof. Heinz W. Bull, will expire at the end of the General Meeting on 24 May 2007.

Therefore, the Supervisory Board proposes to the General Meeting:

to appoint Prof. Heinz W. Bull, 78465 Konstanz, a member of the Supervisory Board for the period up to the General Meeting resolving on the formal approval for the fiscal year 2010.

Prof. Bull is a Managing Director of ALTANA Innovationsfonds GmbH and Honorary Professor at the Technical College Dornbirn, Austria.

Memberships on other supervisory boards required to be established by law or memberships on other similar monitoring boards of industrial enterprises in Germany and abroad: Prof. Bull is a member of the Board of Tanox Inc., Houston Texas / USA, Consigliere and Membro del Comitato Esecutivo at Recordati Industria Chimica e Farmaceutica SpA, Milan / Italy as well as a member of the Shareholder Committee of Bodensee Standort Marketing GmbH, Constance (Deputy Chairman).

Nominations are not binding on the General Meeting.

5. Resolution on the cancellation of the Authorized Capital pursuant to § 5, subparagraph 2 of the Articles of Incorporation and creation of a new Authorized Capital as well as the authorization to exclude the preemptive right of shareholders and the corresponding modification of the Articles of Incorporation

- a) The existing Authorized Capital pursuant to § 5, subparagraph 2 of the Articles of Incorporation currently amounts to € 3,805,629.00. This amount is to be increased to € 5,600,000.00 as a result of such restatement. In addition, the term of the authorization will be extended.
- b) The Management Board and Supervisory Board propose to pass the following resolution:
- aa) The authorization in accordance with § 5, subparagraph 2 of the Articles of Incorporation to increase the Company's share capital on one or several occasions by 5 May 2009 by up to € 3,805,629.00 against cash or in-kind contributions (Authorized Capital) is cancelled.
- bb) The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital on one occasion or in partial amounts on several occasions by 23 May 2012 by a total of up to

€ 5,600,000.00 through the issuance of new bearer shares against cash and/or in-kind contributions (Authorized Capital).

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the statutory preemptive right of shareholders

- in order to preclude the preemptive right with respect to fractional amounts;
- with respect to capital increases against in-kind contributions, to grant shares for the acquisition of enterprises or interests therein;
- with respect to a capital increase against cash contribution, if the issue price of the new shares is not significantly lower than the market price and if the total pro rata amount of the share capital attributable to the new shares for which the preemptive right is excluded neither on the effective date nor on the date of exercise of this authorization exceeds 10 percent of the share capital;
- with respect to a capital increase for an issue of employee shares, if the total pro rata amount of the share capital attributable to the new shares for which the preemptive right is excluded neither on the effective date nor on the date of exercise of this authorization exceeds 10 percent of the share capital.

The Management Board is authorized, with the consent of the Supervisory Board, to determine further details relating to the implementation of capital increases from Authorized Capital.

cc) § 5, subparagraph 2 of the Articles of Incorporation is restated as follows:

„(2) The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital on one occasion or in partial amounts on several occasions by 23 May 2012 by a total of up to € 5,600,000.00 through the issuance of new bearer shares against cash and/or in-kind contributions (Authorized Capital).

The Management Board is authorized, with the consent of the Supervisory Board, to exclude the statutory preemptive right of shareholders

- in order to exclude the preemptive right with respect to fractional amounts;
- with respect to capital increases against in-kind contributions, to grant shares for the acquisition of enterprises or interests therein;

- with respect to a capital increase against cash contribution, if the issue price of the new shares is not significantly lower than the market price and if the total pro rata amount of the share capital attributable to the new shares for which the preemptive right is excluded neither on the effective date nor on the date of exercise of this authorization exceeds 10 percent of the share capital;
- with respect to a capital increase for an issue of employee shares, if the total pro rata amount of the share capital attributable to the new shares for which the preemptive right is excluded neither on the effective date nor on the date of exercise of this authorization exceeds 10 percent of the share capital.

The Management Board is authorized, with the consent of the Supervisory Board, to determine further details relating to the implementation of capital increases from Authorized Capital”.

6. Resolution on the approval of communications to shareholders of Sunways AG by means of remote data transmission pursuant to § 30b, subparagraph 3 no. 1 a) of the Securities Trading Act (WpHG)

- a) Under the Act on the Implementation of the Transparency Directive (Transparenzrichtlinie-Umsetzungsgesetz), which took effect on 20 January 2007, communications to the Company’s shareholders by means of remote data transmission as from 1 January 2008 will only be permissible pursuant to § 30b, subparagraph 3 of the Securities Trading Act (Wertpapierhandelsgesetz) if certain requirements have been met. One of these requirements is a consenting resolution of the General Meeting.
- b) Therefore, the Management Board and Supervisory Board propose to pass the following resolution:

Communications to the shareholders of Sunways AG by means of remote data transmission are approved pursuant to § 30b, subparagraph 3, no. 1 a) of the Securities Trading Act (WpHG). This approval shall apply for an unlimited duration until the General Meeting resolves otherwise. The other requirements under § 30b, subparagraph 3 of the Securities Trading Act (WpHG) shall be complied with.

7. Appointment of the auditors and Group auditors for the fiscal year 2007

The Supervisory Board proposes to appoint WPG Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Tübingen, as auditors and Group auditors for the fiscal year 2007.

Report of the Supervisory Board pursuant to § 203, subparagraph in conjunction with § 186, subparagraph 4, sentence 2 of the Stock Corporation Act (AktG) on the reasons for excluding the preemptive right under item 5

Pursuant to § 203, subparagraph 2 in conjunction with § 186, subparagraph 4, sentence 2 of the Stock Corporation Act, the Management Board submits the following report relating to item 5 above on the reasons for excluding the preemptive right. Such report forms an integral part of this invitation and will be available for inspection at the General Meeting as well as at the Company's office from the date of publication of the convocation of the General Meeting and mailed to each shareholder upon request:

The authorization to issue new shares from Authorized Capital proposed under item 5 above provides for several criteria upon the occurrence of which the statutory preemptive right of shareholders may be excluded.

There should be a possibility to exclude the preemptive right in order to preclude preemptive rights with respect to fractional amounts.

Such exclusion of preemptive rights may be required in order to create a practicable subscription ratio. The fractional shares for which preemptive rights of shareholders are excluded will be realized for the Company on the best possible terms by means of sales via the stock exchange or otherwise. In this case, the exclusion of the preemptive right merely serves to facilitate

the technical implementation of a capital increase.

There should also be the possibility to exclude the preemptive right with respect to capital increases against in-kind contributions to grant shares for the acquisition of enterprises or interests therein.

This serves to provide the Company with the necessary flexibility to rapidly and flexibly take advantage of upcoming opportunities for the acquisition of enterprises or interests therein. Sunways AG faces global competition and, therefore, must be in a position at any time to act rapidly and flexibly in the international markets and in the interest of its shareholders. This also includes the possibility to acquire enterprises or interests therein in order to improve its competitive position.

Enterprises or interests therein are often acquired against cash consideration. However, in certain cases, offerors are also interested in receiving a (partial) consideration in the form of shares (exchange of shares). Purchasers who are in a position to offer an exchange of shares thus have a competitive advantage in relation to the acquisition of equity interests. The possibility to use its own shares as an acquisition currency gives the Company the necessary scope to rapidly and flexibly take advantage of any acquisition opportunities that

may arise and thus strengthens its competitive position. There must be a possibility to exclude the preemptive right with respect to such measures. As corporate acquisitions, as a rule, have to be implemented within a short period of time, an Authorized Capital is required to which the Management Board, with the consent of the Supervisory Board, has fast access.

Furthermore, there should be a possibility to exclude the preemptive right for capital increases against cash contributions by up to 10 percent of the share capital.

This enables the Management Board, with the consent of the Supervisory Board, to respond shortly to upcoming financing requirements and to implement strategic decisions. This possibility to exclude the preemptive right, which is expressly provided for under the laws, enables the management to take advantage of favorable stock exchange constellations in the short term and, in this context, to achieve the greatest possible strengthening of the equity base through a pricing in line with the market. The authorization covers an amount of up to 10 percent of the Company's share capital. If this type of capital increase is implemented, the management will limit any discount of the issue price against the market price to an amount not significantly below the market price. Thanks to the possibility to act faster and the moderate discount

against the market price, such a capital increase, based on past experience, will result in a stronger cash-flow than a comparable capital increase combined with a preemptive right of shareholders. As the new shares will be issued at an issue price close to the market price, each shareholder may purchase shares in the market on approximately the same terms to maintain the relevant percentage shareholding.

Furthermore, the preemptive right may be excluded in the event of an issue of shares to the employees of Sunways AG and its Group companies.

The issue of employee shares is desired by the legislator and thus may be facilitated. The issue of employee shares primarily serves to integrate and attract employees to the enterprise in the long term. A discount customary for employee shares may be granted when determining the issue price. This authorization to exclude the preemptive right is also restricted to an amount of up to 10 percent of the Company's share capital.

The Management Board shall in each individual case carefully consider whether it should take advantage of its authorization to increase the share capital and exclude the preemptive right. The Management Board will only exclude the preemptive right if the circum-

stances abstractly outlined in this report have occurred and if the exclusion of the preemptive right in any concrete event is in the Company's best interest. Only if these criteria have been fulfilled, the Supervisory Board will give the necessary consent to make use of the Authorized Capital and to exclude the preemptive right. The Management Board and Supervisory Board shall in each individual case consider whether it is necessary, adequate, appropriate and in the Company's best interest to exclude the preemptive right.

The Management Board of Sunways AG

Right to attend the General Meeting

Only those shareholders who (1.) have filed an attendance notification in narrative form with the Company prior to the General Meeting and (2.) have provided evidence to the Company of their entitlement to attend the General Meeting and exercise the voting right by submitting to the Company a certification of their shareholding drawn up in narrative form in the German or English language by the depositary bank (credentials) are entitled to attend the General Meeting and to exercise the voting right. Such credentials must refer to the beginning of the twenty-first day prior to the General Meeting, i.e. the **beginning of 3 May 2007**.

The credentials and attendance notification must be received by the Company by **16 May 2007** at the latest, at the following address:

Sunways Aktiengesellschaft
c/o Landesbank Baden-Württemberg
Abteilung 4027 H
Am Hauptbahnhof 2
D-70173 Stuttgart
Fax +49 711 12779256

Granting of proxies, voting by proxy

A shareholder may also exercise his/her voting right or right to attend the General Meeting via an authorized agent, e.g., the depositary bank, an association of shareholders or another person of his/her choice.

As a special service, our shareholders are offered an opportunity to be represented by employees of the Company (proxy voting agents) in accordance with shareholders' instructions. For further details reference is made to the documents mailed to our shareholders.

Counter-motions and nominations

Counter-motions and nominations from shareholders have to be delivered in writing or by fax exclusively to the following address no later than two weeks before the date of the General Meeting:

Sunways Aktiengesellschaft
Ms Astrid Forst
Macairestraße 3 - 5
D - 78467 Konstanz
Fax +49 7531 99677548

Any counter-motions or nominations from shareholders required to be made available will be published on the internet at www.sunways.de without delay upon receipt. Any comments of the management will also be published at the internet address referred to above.

Additional information under the Securities Trading Act (Wertpapierhandelsgesetz)

Pursuant to § 30 b, subparagraph 1, no. 1 of the Securities Trading Act (Wertpapierhandelsgesetz), we hereby inform you as follows: At the time of convocation of the General Meeting, a total of 11,270,284 non-par value shares of the Company (German Stock Index No. (WKN) 733 220 – ISIN DE0007332207) are outstanding.

Each non-par value share of the Company carries one vote (§ 16 of the Articles of Incorporation). At the time of convocation of the General Meeting, there are a total of 11,270,284 voting rights.

At the time of convocation of the General Meeting, the Company holds no treasury shares.

Constance, April 2007
Sunways Aktiengesellschaft
The Management Board



Location

The Steigenberger Inselhotel is located near the Constance railway station. No parking space is available at the hotel. Therefore, we kindly ask you to use public means of transport.

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