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ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the Company's unaudited consolidated management accounts for the eleven months ended 30 November 2022, and assessment of the latest information currently available to the Board, the Group expects to record a significant increase in net profit attributable to owners of the Company at a range of HK\$90 million to HK\$120 million for the year ended 31 December 2022, as compared to the consolidated profit attributable to owners of the Company of approximately HK\$20.7 million for the year ended 31 December 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Arts Optical International Holdings Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the Company's unaudited consolidated management accounts for the eleven months ended 30 November 2022, and assessment of the latest information currently available to the Board, the Group expects to record a significant increase in net profit attributable to owners of the Company at a range of HK\$90 million to HK\$120 million for the year ended 31 December 2022, as compared to the consolidated profit attributable to owners of the Company of approximately HK\$20.7 million for the year ended 31 December 2021.

* *For identification purpose only*

The major reasons for improvement in the net profit attributable to owners of the Company include:

- (a) the Group had recognised a net gain of approximately HK\$58.8 million (unaudited) on disposal of a property owned by Sin Dak Industrial Limited, an indirect wholly-owned subsidiary of the Company, to Jointwill Corporation Limited. For further details, please refer to the announcement of the Company dated 13 April 2022 and the circular of the Company dated 25 July 2022;
- (b) improvement in gross profit margin mainly resulted from the continuous improvement in operation efficiency and supply chain synergy; and
- (c) rise in net gain on foreign exchange mainly driven by the depreciation of Renminbi against United States Dollar.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Company for the eleven months ended 30 November 2022 and other information currently available to the Board, which have not been reviewed by the auditor of the Company. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Board. The Company is still in the process of finalising its consolidated final results for the year ended 31 December 2022, which are subject to possible adjustments upon further review. Further details of the financial information of the Group will be published when the annual results of the Group for the year ended 31 December 2022 are released.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Arts Optical International Holdings Limited
Ng Hoi Ying, Michael
Chairman

Hong Kong, 3 January 2023

As at the date of this announcement, the Board comprises five directors, two of whom are executive directors, namely Mr. Ng Hoi Ying, Michael and Mr. Ng Kim Ying, and three are independent non-executive directors, namely Mr. Wong Chi Wai, Mr. Chung Hil Lan Eric and Mr. Lam Yu Lung.