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If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Arts Optical International Holdings Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR RE-ELECTION OF THE RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

The notice convening the Annual General Meeting of Arts Optical International Holdings Limited to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on 6 June 2024 at 3:00 p.m. at which the above proposals will be considered is set out on pages 13 to 17 of this document. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed on it as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting, or any adjournment thereof.

* For identification purpose only

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DEFINITIONS

In this document the following expressions shall have the following meanings unless the context otherwise requires:

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on 6 June 2024 at 3:00 p.m., notice of which is set out on pages 13 to 17 of this document
“associates”	shall have the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Company”	Arts Optical International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1120)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“INED(s)”	the independent non-executive Director(s)
“Latest Practicable Date”	18 April 2024, being the latest practicable date prior to the printing of this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM CHAIRMAN



ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

Directors:

Mr. NG Hoi Ying, Michael (*Chairman*)

Ms. NG Yat Shan

Mr. NG Kim Ying

Ms. WU Zhihong

Mr. WONG Chi Wai[#]

Mr. CHUNG Hil Lan Eric[#]

Mr. LAM Yu Lung[#]

Dr. FONG Kin Kiu[#]

(* independent non-executive Directors)

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head Office and Principal Place of
Business in Hong Kong:*

Units A to G, 32nd Floor

King Palace Plaza

55 King Yip Street

Kwun Tong, Kowloon

Hong Kong

26 April 2024

To the Shareholders

Dear Sir or Madam,

1. INTRODUCTION

The purpose of this document is to give you notice of the Annual General Meeting for the purpose of considering, and if thought fit, passing resolutions to approve, *inter alia*, the re-election of the retiring Directors and the general mandates granted to the Directors to issue Shares and repurchase Shares. In accordance with the relevant requirements under the Listing Rules and in line with good corporate governance practice, I would direct that each of the resolutions set out in the Notice of Annual General Meeting be voted on by poll. The Company will publish an announcement of the results of the proposed resolutions in accordance with the Listing Rules.

* For identification purpose only

LETTER FROM CHAIRMAN

2. RE-ELECTION OF THE RETIRING DIRECTORS

According to Bye-law 87(1) of the Bye-laws, 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 not less than one-third) shall retire from office by rotation. Bye-law 87(2) of the Bye-laws further provides that the Director(s) to retire by rotation shall be those who have been longest in office since their last re-election or appointment, and as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Mr. Ng Kim Ying, Mr. Ng Hoi Ying, Michael (“Mr. Ng”) and Mr. Lam Yu Lung (“Mr. Lam”) were re-elected as Directors in the annual general meeting of the Company held on 3 June 2021, 9 June 2022 and 9 June 2022 respectively for a term of not more than 3 years and are subject to retirement by rotation in accordance with the Bye-laws. In accordance with the abovementioned Bye-laws, Mr. Ng Kim Ying, Mr. Ng and Mr. Lam will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

On 26 March 2024, the Nomination Committee, comprising solely INEDs, confirmed that Mr. Ng Kim Ying, Mr. Ng and Mr. Lam continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee nominated, and the Board recommended Mr. Ng Kim Ying, Mr. Ng and Mr. Lam to stand for election as Directors at the Annual General Meeting. For good corporate governance practice, Mr. Lam (as chairman of the Nomination Committee) abstained from voting on the respective propositions of their recommendation for election by Shareholders.

The Nomination Committee is also responsible for, *inter alia*, assessing the independence of INEDs. On 26 March 2024, the Nomination Committee assessed and reviewed the individual INED’s annual confirmation of independence based on the independence criteria set out in Rule 3.13 of the Listing Rules, and affirmed that all INEDs including, Mr. Wong Chi Wai, Mr. Chung Hil Lan Eric, Mr. Lam Yu Lung and Dr. Fong Kin Kiu remained independent.

Further, pursuant to Appendix C1 to the Listing Rules, serving more than 9 years could be relevant to the determination of a non-executive director’s independence. If an independent non-executive director serves more than 9 years, any further appointment of such independent non-executive director should be subject to a separate resolution to approve by shareholders.

Mr. Lam has served the Company as an INED for more than 9 years since 2011 and the Board takes the view that Mr. Lam is still independent for the reasons below. Mr. Lam has not engaged in any executive management of the Group and demonstrated his ability to provide an independent view to the Company’s matters during his term of service. He is independent of management and free from any business or other relationships or circumstances which could materially interfere with the exercise of his independent judgement. In addition, Mr. Lam has declared his independence by submitting an annual confirmation of independence to the Nomination Committee, which the Nomination Committee reviewed based on the independence

LETTER FROM CHAIRMAN

criteria set out in Rule 3.13 of the Listing Rules. The Board considers that the long service of Mr. Lam would not affect his exercise of independent judgement and is satisfied that he has the required character, integrity, experience and profound knowledge of the business of the Group to continue fulfilling the role of INED effectively.

The Nomination Committee also evaluated the performance of Mr. Lam during the year ended 31 December 2023 based on the nomination policy of the Company disclosed in 2023 annual report of the Company and considered that their experiences, skills, working profiles and other perspectives as set out in Letter from Chairman of this circular can bring further contributions to the Board and its diversity. Upon the nomination by the Nomination Committee, the Board has recommended Mr. Lam to stand for re-election as Directors at the AGM. The Board believes that the continuous appointment of the retiring Director contributes to the stability and diversity of the Board.

The details and brief biography of Mr. Ng Kim Ying, Mr. Ng and Mr. Lam are set out below:

Mr. Ng Kim Ying, aged 68, is an executive Director. He was appointed as an executive Director in 1996. Mr. Ng Kim Ying joined the Group in 1985 and is responsible for the implementation and application of information technology to the business of the Group. He has 39 years of experience in the optical products industry.

Mr. Ng Kim Ying did not hold any directorship in other listed public companies in the last 3 years. He has entered into a service contract with the Company which does not provide for a fixed period of service and can be terminated by the Company by giving a period of notice of not more than 6 months. The proposed term of office for Mr. Ng Kim Ying shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Ng Kim Ying is the brother of Mr. Ng, the chairman of the Group and an executive Director, the uncle of Ms. Ng Yat Shan, an executive Director and the chief executive officer of the Group, and the brother-in-law of Ms. Wu Zhihong, an executive Director. Save as disclosed herein, Mr. Ng Kim Ying has no relationship with any Directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Ng Kim Ying was interested in 8,305,000 Shares (representing 2.15% of the issued share capital of the Company) within the meaning of Part XV of the SFO. The total amount of Mr. Ng Kim Ying's basic salary is HK\$455,000 per annum as provided for under the terms of his service contract. He is also eligible for an annual discretionary bonus based on his performance and the financial performance of the Group. The emoluments of Mr. Ng Kim Ying have been determined by the Remuneration Committee with reference to the level and/or remuneration package normally granted by employers comparable in size and stature to the Company to senior executives of comparable calibre and job responsibilities.

LETTER FROM CHAIRMAN

Save as disclosed herein, there is no other information relating to Mr. Ng Kim Ying that is required to be disclosed pursuant to the requirements of rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Ng Hoi Ying, Michael, aged 69, is an executive Director and the founder of the Group. He was appointed an executive Director and the chairman of the Group in 1996. Mr. Ng is responsible for the corporate policy making and strategic planning of the Group. He has 56 years of experience in the optical products industry. Mr. Ng won the Young Industrialist Award of Hong Kong organised by the Federation of Hong Kong Industries in 1995. He was admitted as an Honorary Fellow of The Professional Validation Council of Hong Kong Industries in 2004. Mr. Ng was the President of the Hong Kong Optical Manufacturers Association Ltd. (the “HKOMA”) during 2002 and 2006 and is currently an executive committee member of the HKOMA and a Life Honorary President of the Hong Kong Wong Tai Sin Industry And Commerce Association Limited.

Mr. Ng did not hold any directorship in other listed public companies in the last 3 years. He has entered into a service contract with the Company which does not provide for a fixed period of service and can be terminated by the Company by giving a period of notice of not more than 6 months. The proposed term of office for Mr. Ng is not more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Ng is the brother of Mr. Ng Kim Ying, an executive Director, the father of Ms. Ng Yat Shan, an executive Director and the chief executive officer of the Group. Mr. Ng is also the spouse of Ms. Wu Zhihong, an executive Director. Save as disclosed herein, Mr. Ng has no relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng was interested in 217,289,347 Shares (representing 56.25% of the issued share capital of the Company) within the meaning of Part XV of the SFO. Among the aforesaid 217,289,347 Shares, 2,856,000 Shares and 60,833,347 Shares were held directly by Mr. Ng and his wife respectively whereas 153,600,000 Shares were held by Ratagan International Company Limited (“Ratagan”). The entire issued share capital of Ratagan was held by Maritime Overseas Assets Limited which was wholly-owned by HSBC International Trustee Limited as trustee of The Arts 2007 Trust, a discretionary trust, the settlor of which is Mr. Ng and the beneficiaries of which included Mr. Ng. The total amount of Mr. Ng’s basic salary is HK\$1,300,000 per annum as provided for under the terms of his service contract. He is also eligible for an annual discretionary bonus based on his performance and the financial performance of the Group. Mr. Ng’s emoluments have been determined by the Remuneration Committee with reference to the level and/or remuneration package normally granted by employers comparable in size and stature to the Company to senior executives of comparable calibre and job responsibilities.

LETTER FROM CHAIRMAN

Save as disclosed herein, there is no other information relating to Mr. Ng that is required to be disclosed pursuant to the requirements of rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Lam Yu Lung, aged 59, is an INED, the chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. He joined the Group as an INED in 2011. Mr. Lam obtained a Bachelor's degree in Social Sciences from the University of Hong Kong in 1988. He is a practising certified public accountant in Hong Kong. Mr. Lam has 36 years of experience in the accountancy profession and is currently a partner of Zhonghui Anda CPA Limited, a certified public accounting firm in Hong Kong.

Mr. Lam currently also serves as an independent non-executive director for Telecom Digital Holdings Limited (stock code: 6033) which is listed on the Main Board of the Stock Exchange. He has entered into a service contract with the Company which does not provide for a fixed period of service and can be terminated by the Company by giving a period of notice of not more than 3 months. The proposed term of office for Mr. Lam shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Lam does not have any interests or deemed interests in the Shares within the meaning of Part XV of the SFO nor is he related to any Directors, senior management or substantial or controlling shareholders of the Company. The total amount of Mr. Lam's emoluments is HK\$156,000 per annum as provided for under the terms of his service contract. Mr. Lam's emoluments have been determined by the Remuneration Committee by benchmarking against comparable companies in Hong Kong.

Save as disclosed herein, there is no other information relating to Mr. Lam that is required to be disclosed pursuant to the requirements of rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

3. GENERAL MANDATES

At the annual general meeting of the Company which was held on 8 June 2023, ordinary resolutions were passed to give general mandates to the Directors to issue and repurchase Shares. Under the terms of the general mandates and the Listing Rules, these general mandates lapse at the conclusion of the Annual General Meeting.

Resolutions set out as Resolutions no. 8 and no. 9 in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to grant to Directors general mandates:

- (i) to repurchase Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing such resolution; and

LETTER FROM CHAIRMAN

- (ii) to allot, issue and deal with Shares up to a maximum of:
 - (a) in the case of an allotment and issue of Shares for cash (other than an allotment and issue of Shares pursuant to a rights issue), 5% of the total number of issued shares of the Company as at the date of passing such resolution; and
 - (b) in the case of an allotment and issue of Shares other than for cash, 20% of the total number of issued shares of the Company as at the date of passing such resolution (less Shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (a) above),

provided that, in any event, no Shares shall be allotted and issued pursuant to this general mandate if the relevant price represents a discount of 5% or more to the Benchmarked Price of the Shares.

For the avoidance of doubt, the total number of Shares to be issued pursuant to the general mandate granted to the Directors under Resolution no. 9 shall not exceed 20% of the total number of issued shares of the Company as at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 386,263,374 Shares. On the basis that no further Shares are issued and no Shares are to be repurchased by the Company prior to the date of passing such resolution the maximum number of Shares to be issued pursuant to this general mandate shall be 77,252,674 Shares.

For the purposes of Resolution no. 9, the “Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet in the five trading days immediately prior to the earlier of:
 - (a) the date of signing of the agreement to which the transaction relates; or
 - (b) the date on which the relevant transaction is announced; or
 - (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.

With reference to these resolutions, the Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

LETTER FROM CHAIRMAN

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed repurchase resolution is set out in the Appendix to this document. It contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

4. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting proposed to be held at Portion 2, 12th Floor, The Center, 99 Queen's Road Central, Hong Kong on 6 June 2024 at 3:00 p.m. is set out on pages 13 to 17 of this document. At the Annual General Meeting:

- (i) Resolutions no. 3, no. 4 and no. 5 will be proposed as ordinary resolutions to re-elect Mr. Ng Kim Ying, Mr. Ng and Mr. Lam as Directors;
- (ii) Resolution no. 8 will be proposed as an ordinary resolution to give a general mandate to the Directors for the repurchase of Shares; and
- (iii) Resolution no. 9 will be proposed as an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed on it and return the same to the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event so as to be received not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the Annual General Meeting if you so wish.

5. RESPONSIBILITY STATEMENT

This document, 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 document 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 document misleading.

LETTER FROM CHAIRMAN

6. RECOMMENDATIONS

The Directors believe that the re-election of the retiring Directors and the general mandates to repurchase Shares and to allot, issue and deal with Shares are in the interests of the Company and the Shareholders, and accordingly recommend you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Arts Optical International Holdings Limited
Ng Hoi Ying, Michael
Chairman

This is the explanatory statement, as required by the relevant rules set out in the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate for the repurchase of Shares.

SHARE REPURCHASE PROPOSAL

The resolution set out as Resolution no. 8 in the notice convening the Annual General Meeting which will be proposed as an ordinary resolution at the Annual General Meeting relates to the granting of a general mandate to the Directors to repurchase on the Stock Exchange Shares representing up to 10% of the issued shares of the Company at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 386,263,374 Shares. On the basis that no further Shares are issued and no Shares are to be repurchased by the Company prior to the date of passing such resolution, the Directors would be authorised to repurchase up to a maximum of 38,626,337 Shares.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the paid-up share capital, or the profits that would otherwise be available for dividends or the proceeds of a fresh issue of shares made for that purpose. The premium payable on a repurchase may only be paid out of either the profits that would otherwise be available for dividends or out of the share premium or contributed surplus accounts of the Company. It is envisaged that any such repurchase of Shares would be appropriately financed by the Company's distributable profits.

In the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period, there could be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31 December 2023 which is despatched to the Shareholders together with this document. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the

circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors is from time to time appropriate for the Company.

SHARES PURCHASES MADE BY THE COMPANY

No purchase has been made by the Company of its Shares in the 6 months prior to the Latest Practicable Date.

GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, the power of the Company to make repurchases pursuant to the proposed repurchase mandate will be exercised in accordance with the Listing Rules and the applicable laws of Bermuda. None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their associates have a present intention, in the event that the proposed repurchase mandate is granted by the Shareholders, to sell any Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that it has a present intention to sell any Shares held by it to the Company, or has undertaken not to do so, in the event that the proposed repurchase mandate is granted by the Shareholders.

If as a result of a repurchase of Shares 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 Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code) 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. To the best of the knowledge of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Ng Hoi Ying, Michael and the parties acting in concert (as defined in the Takeovers Code) with him were interested in approximately 59.38% of the total issued Shares. In the event that the Directors shall exercise in full the power to repurchase Shares in accordance with the terms of the resolution to be proposed at the Annual General Meeting and assuming that there is no change in the issued share capital of the Company at the date of the Annual General Meeting, the interests of Mr. Ng Hoi Ying, Michael, a Director and a substantial shareholder of the Company, will be increased from approximately 59.38% to 65.98% and such increase in shareholding would not give rise to an obligation for Mr. Ng Hoi Ying, Michael and his concert parties to make a mandatory general offer under Rule 26 of the Takeovers Code.

Neither this explanatory statement nor the repurchase mandate has any unusual features.

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous 12 months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2023	0.86	0.82
May 2023	0.88	0.80
June 2023	0.88	0.70
July 2023	0.88	0.79
August 2023	0.89	0.80
September 2023	0.87	0.73
October 2023	0.87	0.80
November 2023	0.89	0.82
December 2023	0.90	0.78
January 2024	0.86	0.78
February 2024	0.87	0.83
March 2024	0.87	0.83
April 2024 (up to Latest Practicable Date)	0.84	0.83

NOTICE OF ANNUAL GENERAL MEETING



ARTS OPTICAL INTERNATIONAL HOLDINGS LIMITED

雅視光學集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

NOTICE IS HEREBY GIVEN that the annual general meeting of Arts Optical International Holdings Limited (the “Company”) will be held at Portion 2, 12th Floor, The Center, 99 Queen’s Road Central, Hong Kong on 6 June 2024 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and the independent auditor of the Company for the year ended 31 December 2023.
2. To declare a final dividend for the year ended 31 December 2023.
3. To re-elect Mr. Ng Kim Ying as an executive Director.
4. To re-elect Mr. Ng Hoi Ying, Michael as an executive Director.
5. To re-elect Mr. Lam Yu Lung (who has served more than nine years) as an independent non-executive Director.
6. To authorise the remuneration committee to fix the remuneration of the Directors.
7. To re-appoint Messrs. RSM Hong Kong as the auditor of the Company and to authorise the board of Directors to fix their remuneration.

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“THAT:

- (a) subject to paragraph (b) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of shares to be repurchased by the Company pursuant to the approval in paragraph (a) above of this resolution shall not exceed 10% of the total number of issued shares of the Company at the date of passing 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 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 laws of Bermuda or the bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in a general meeting.”

9. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“THAT:

- (a) subject to paragraph (c) below of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options which would or might require the allotment of such shares, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above of this resolution shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements or options which would or might require the allotment of such shares after the end of the Relevant Period (as hereinafter defined);

- (c) the total number of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company, shall not exceed:
 - (i) in the case of an allotment and issue of shares for cash, 5% of the total number of issued shares of the Company at the date of passing this resolution; and

 - (ii) in the case of an allotment and issue of shares other than for cash, 20% of the total number of issued shares of the Company at the date of passing this resolution (less shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (i) of this resolution),

provided that, in any event, no shares shall be allotted and issued by the Directors pursuant to the approval granted under this resolution if the total number of shares allotted and issued (for cash or otherwise) exceeds 20% of the total number of issued shares of the Company at the date of passing this resolution or if the relevant price represents a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the shares, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution,

“Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited on the date of signing of the agreement to which the transaction relates; and

NOTICE OF ANNUAL GENERAL MEETING

(ii) the average closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited in the five trading days immediately prior to the earlier of:

(A) the date of signing of the agreement to which the transaction relates;
or

(B) the date on which the relevant transaction is announced; or

(C) the date on which the price of the shares of the Company to be issued pursuant to the transaction is fixed.

“Relevant Period” means the period from 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 laws of Bermuda or the bye-laws of the Company to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in a general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions 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 recognised regulatory body or any applicable stock exchange).”

By Order of the Board
Arts Optical International Holdings Limited
Choi Pui Yiu
Company Secretary

Hong Kong, 26 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) At the annual general meeting, the Chairman of the meeting will exercise his power under Bye-law 66 of the Company's bye-laws to put all of the above resolutions to the vote by way of poll.
- (2) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not be a member of the Company.
- (3) To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting, or any adjournment thereof (as the case may be).
- (4) The register of members of the Company will be closed from 3 June 2024 to 6 June 2024, both days inclusive, during which period no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificate must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 31 May 2024 in order to be eligible to attend and vote at the annual general meeting.
- (5) The register of members of the Company will be closed from 13 June 2024 to 14 June 2024, both days inclusive, during which period no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificate must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 12 June 2024 in order to qualify for the proposed final dividend mentioned above.
- (6) With respect to Resolution no. 3, no. 4 and no. 5 above, Mr. Ng Kim Ying, Mr. Ng Hoi Ying, Michael and Mr. Lam Yu Lung shall retire from the office of directorships and shall offer themselves for re-election in accordance with the Company's Bye-laws. Details of the retiring Directors which are required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited are set out in the circular of the Company dated 26 April 2024.
- (7) An explanatory statement containing further details regarding Resolution no. 8 above will be sent to the shareholders for perusal.
- (8) No refreshments or drinks will be provided at the annual general meeting.