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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)

PROFIT WARNING

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 Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the six months ended 30th June, 2019.

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 board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that based on the Company’s preliminary review of the results of the Group for the six months ended 30th June, 2019, the Group is expected to record a substantial loss for the six months ended 30th June, 2019.

* For identification purpose only

The loss of the Group for the six months ended 30th June, 2018 was HK\$24.4 million, which was mainly offset by the fair value gain of HK\$20 million on revaluation of investment properties. If this one-time gain was excluded, the loss of the Group for the six months ended 30th June, 2018 would be increased to HK\$44.4 million (the “Adjusted Loss”).

The Board anticipates that the Group will report an increase in loss for the six months ended 30th June, 2019 in comparison to the Adjusted Loss. This is mainly due to significant reduction in customers’ sales orders and production volumes in quarter two of 2019 after the U.S. President threatened to increase tariff on US\$200 billion of Chinese goods from 10% to 25% in early May of 2019. Moreover, the fair value gain on revaluation of investment properties for the six months ended 30th June, 2019 will be below HK\$1 million.

The Company has yet to finalise the interim results of the Group for the six months ended 30th June, 2019. The information contained in this announcement is based only on a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30th June, 2019, but not on any data or information which has been audited or reviewed by the Company’s auditors. Further details of the financial information of the Group will be published when the interim results of the Group for the six months ended 30th June, 2019 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
Ng Hoi Ying, Michael
Chairman

Hong Kong, 31st July, 2019

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.