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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
PROPOSED APPOINTMENT OF NEW DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
PROPOSED ADOPTION OF THE NEW BYE-LAWS**

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 8 June 2023 at 3:00 p.m. at which the above proposals will be considered is set out on pages 23 to 27 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 8 June 2023 at 3:00 p.m., notice of which is set out on pages 23 to 27 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)
“Consultation Conclusions”	Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022
“Director(s)”	the director(s) of the Company
“Existing Bye-laws”	the existing bye-laws of the Company that are currently in force
“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 2023, 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

DEFINITIONS

“New Bye-laws”	the new set of bye-laws of the Company incorporating and consolidating all proposed amendments, which have been approved by the Board in accordance with the Bye-laws, proposed to be confirmed, approved and adopted by the Shareholders at the AGM
“Nomination Committee”	the nomination committee of the Company
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“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*)

Mr. NG Kim Ying

Mr. WONG Chi Wai[#]

Mr. CHUNG Hil Lan Eric[#]

Mr. LAM Yu Lung[#]

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

([#] independent non-executive Directors)

26 April 2023

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, the proposed appointment of new Directors, the general mandates granted to the Directors to issue Shares and repurchase Shares and the proposed adoption of the New Bye-laws. 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. Wong Chi Wai (“Mr. Wong”) and Mr. Chung Hil Lan Eric (“Mr. Chung”) were re-elected as Directors in the annual general meeting of the Company held on 3 June 2020 and 3 June 2021 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. Wong and Mr. Chung will retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

On 28 March 2023, the Nomination Committee, comprising solely INEDs, confirmed that Mr. Wong and Mr. Chung continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee nominated, and the Board recommended Mr. Wong and Mr. Chung to stand for election as Directors at the Annual General Meeting. For good corporate governance practice, Mr. Wong and Mr. Chung 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 28 March 2023, 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 and Mr. Lam Yu Lung remained independent.

Further, pursuant to Appendix 14 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. Wong has served the Company as an INED for more than 9 years since 2004 and the Board takes the view that Mr. Wong is still independent for the reasons below. Mr. Wong 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. Wong has declared his independence by submitting an annual written confirmation of independence to the Nomination Committee, which the Nomination Committee reviewed based on the independence criteria set out in Rule 3.13 of the Listing Rules. The Board considers that the long service of

LETTER FROM CHAIRMAN

Mr. Wong 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.

Mr. Chung has served the Company as an INED for more than 9 years since 2004 and the Board takes the view that Mr. Chung is still independent for the reasons below. Mr. Chung 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. Chung has declared his independence by submitting an annual written confirmation of independence to the Nomination Committee, which the Nomination Committee reviewed based on the independence criteria set out in Rule 3.13 of the Listing Rules. The Board considers that the long service of Mr. Chung 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. Wong and Mr. Chung during the year ended 31 December 2022 based on the nomination policy of the Company disclosed in 2022 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. Wong and Mr. Chung 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. Wong and Mr. Chung are set out below:

Mr. Wong Chi Wai, aged 56, is an INED, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Wong obtained a bachelor's degree in Social Sciences from and was awarded a Post-graduate Certificate in Laws by the University of Hong Kong in 1988 and 1993 respectively. He is a practising certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales. He has 35 years of experience in the accountancy profession. Other than his private practice in accounting, he has been admitted as a solicitor at the High Court on 9 March 2019 and currently a practising solicitor in a law firm as a consultant.

Mr. Wong currently also serves as an independent non-executive director for Kin Yat Holdings Limited (stock code: 638) and C&D International Investment Group Limited (stock code: 1908), all of which are listed on the Main Board of the Stock Exchange. Mr. Wong was an independent non-executive director for Bonjour Holdings Limited (stock code: 653) and resigned from his director position on 21 September 2020. Bonjour Holdings Limited is also listed on the Main Board of the Stock Exchange. Except as disclosed, Mr. Wong did not hold any directorship

LETTER FROM CHAIRMAN

in other listed public companies in the last 3 years. He joined the Group as an INED in 2004 and 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. Wong shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Wong 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, substantial or controlling shareholders of the Company. The total amount of Mr. Wong's emoluments is HK\$144,000 per annum as provided for under the terms of his service contract. Mr. Wong's emoluments have been determined by the Remuneration Committee by benchmarking against comparable companies in Hong Kong.

On 18 May 2016, the United States Public Company Accounting Oversight Board ("PCAOB") has issued an order to censure Mr. Wong, barring him from being an associated person of a registered public accounting firm which has audit responsibilities for public companies in the United States of America ("US"), and imposing a civil money penalty against him of US\$10,000 on the basis of its findings that in connection with the audit of one US issuer client of his firm, AWC (CPA) Limited, Mr. Wong violated certain US laws, rules and standards relating to the audit requirements of a US issuer client. Mr. Wong may file a petition to PCAOB for consent to associate himself with a registered public accounting firm after two years from the date of the order. For the same incident, the Hong Kong Institute of Certified Public Accountants ("HKICPA"), HKICPA concluded that Mr. Wong was in breach of sections 100.5(c) and 130.1 of the Code of Ethics for Professional Accountants for failure to act diligently in accordance with applicable technical and professional standards when provided professional services. As such, HKICPA reprimanded Mr. Wong and levied an administrative penalty of HK\$25,000 and costs of HK\$10,000 jointly with other respondents on 27 November 2017.

Save as disclosed herein, there is no other information relating to Mr. Wong 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. Chung Hil Lan Eric, aged 57, is an INED, the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. He is a practising certified public accountant in Hong Kong and an associate member of the Institute of Chartered Accountants in England and Wales. Mr. Chung obtained a bachelor degree in Social Sciences from the University of Hong Kong in 1988. He has 35 years of experience in the accountancy profession and is currently the owner of Eric H. L. Chung & Co., a certified public accountants firm in Hong Kong.

Mr. Chung did not hold any directorship in other listed public companies in the last 3 years. He joined the Group as an INED in 2004 and 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

LETTER FROM CHAIRMAN

for Mr. Chung shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. Mr. Chung 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. Chung's emoluments is HK\$144,000 per annum as provided for under the terms of his service contract. Mr. Chung'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. Chung 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.

Tenure disclosure of independent non-executive directors

Pursuant to code provision B.2.4 of the Corporate Governance Code as contained in Appendix 14 to the Listing Rules, which took effect for financial years commencing on or after 1 January 2022, the length of tenure of the INEDs serving more than 9 years is as follows:

Name	Length of the tenure
Wong Chi Wai	More than 18 years
Chung Hil Lan Eric	More than 18 years
Lam Yu Lung	More than 11 years

3. PROPOSED APPOINTMENT OF NEW DIRECTORS

Appointment of executive Directors

With the recommendation from the Nomination Committee, the Board proposes the appointment of Ms. Ng Yat Shan ("Ms. Ng") and Ms. Wu Zhihong ("Ms. Wu") as executive Directors pursuant to the Bye-laws, subject to and with effect upon the approval by the Shareholders at the AGM. Ordinary resolutions in relation to the proposed appointment of Ms. Ng and Ms. Wu will be proposed at the AGM.

The recommendation of the proposed appointment of Ms. Ng and Ms. Wu as executive Directors was made in accordance with the nomination policy and the objective criteria (including but not limited to, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out in the board diversity policy of the Company. The Board considers that the appointment of Ms. Ng and Ms. Wu as executive Directors is in the best interests of the Company and Shareholders as a whole.

LETTER FROM CHAIRMAN

The details and brief biography of Ms. Ng and Ms. Wu are set out below:

Ms. Ng Yat Shan, aged 43, joined the Group in October 2002 and has been a director of various subsidiaries of the Company since January 2011. Ms. Ng was appointed as the Group's chief executive officer (the "CEO") in February 2021. She is also the chief executive officer of Arts Optical Company Limited, a subsidiary of the Company. Ms. Ng obtained her Master of Business Administration degree in August 2013 from European University (currently known as EU Business School) through distance learning. Ms. Ng received fellowship from The Professional Validation Council of Hong Kong Industries in 2020.

Ms. Ng is the daughter of Mr. Ng Hoi Ying, Michael, an executive Director, the chairman of the Board and a controlling shareholder of the Company, the niece of Mr. Ng Kim Ying, an executive Director, and the step-daughter of Ms. Wu Zhihong, a proposed executive Director.

Ms. Ng has entered into employment agreement with the Company for her appointment as the CEO. There was no fixed term of service with the Company and her term of service shall continue unless and until terminated by either the Company or Ms. Ng by giving to the other 3 months' prior notice in writing. Ms. Ng is entitled to a remuneration of HK\$1,235,000 per annum with discretionary bonus, which has been proposed by the Remuneration Committee and approved by the Board with reference to her background, experience, duties and responsibilities with the Company and the prevailing market conditions.

Upon approval of Ms. Ng's appointment as a Director by the Shareholders at the AGM, Ms. Ng will enter 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 Ms. Ng shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. No director's fee will be paid to Ms. Ng in respect of her appointment as an executive Director.

As at the Latest Practicable Date, Ms. Ng was interested in 3,766,000 Shares, representing in aggregate approximately 0.97% of the total number of issued shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above and as at the Latest Practicable Date, Ms. Ng (i) did not hold any other position with the Company or other members of the Group; (ii) did not have any other relationship with the Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company; (iii) did not hold any directorship in public companies in the last 3 years, the securities of which are listed on any securities market in Hong Kong or overseas; and (iv) did not have any other interests or deemed interests in the securities of the Company and its associated corporations within the meaning of Part XV of the SFO.

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Save as disclosed above and as at the Latest Practicable Date, there are no other matters relating to the appointment of Ms. Ng that need to be brought to the attention of the Shareholders, nor is there any other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Ms. Wu Zhihong, aged 39, joined the Group in March 2022 as a director of Business Development of Arts Opti Lab (Shenzhen) Company Limited (雅視光學科技(深圳)有限公司), a subsidiary of the Company. She has extensive experience in the eyewear business through investment in various companies.

Ms. Wu is the spouse of Mr. Ng Hoi Ying, Michael, an executive Director, the chairman of the Board and a controlling shareholder of the Company, the sister-in-law of Mr. Ng Kim Ying, an executive Director, and the step-mother of Ms. Ng Yat Shan, the CEO and a proposed executive Director.

Ms. Wu has entered into employment agreement with Arts Opti Lab (Shenzhen) Company Limited for her appointment as director of Business Development. There was no fixed term of service and her term of service shall continue unless and until terminated by either party by giving to the other 1 month's prior notice in writing. Ms. Wu is entitled to a remuneration of RMB240,000 per annum.

Upon approval of Ms. Wu's appointment as a Director by the Shareholders at the AGM, Ms. Wu will enter 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 Ms. Wu shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. No director's fee will be paid to Ms. Wu in respect of her appointment as an executive Director.

As at the Latest Practicable Date, Ms. Wu was interested in 19,656,000 Shares, representing in aggregate approximately 5.09% of the total number of issued shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above and as at the Latest Practicable Date, Ms. Wu (i) did not hold any other position with the Company or other members of the Group; (ii) did not have any other relationship with the Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company; (iii) did not hold any directorship in public companies in the last 3 years, the securities of which are listed on any securities market in Hong Kong or overseas; and (iv) did not have any other interests or deemed interests in the securities of the Company and its associated corporations within the meaning of Part XV of the SFO.

LETTER FROM CHAIRMAN

Save as disclosed above and as at the Latest Practicable Date, there are no other matters relating to the appointment of Ms. Wu that need to be brought to the attention of the Shareholders, nor is there any other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Appointment of INED

With the recommendation from the Nomination Committee, the Board proposes the appointment of Dr. Fong Kin Kiu (“Dr. Fong”) as an INED pursuant to the Bye-laws, subject to and with effect upon the approval by the Shareholders at the AGM. An ordinary resolution in relation to Dr. Fong’s proposed appointment will be proposed at the AGM.

The recommendation of the proposed appointment of INED was made in accordance with the nomination policy and the objective criteria (including but not limited to, gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out in the board diversity policy of the Company. The Board considers that the appointment of Dr. Fong as an INED is in the best interests of the Company and Shareholders as a whole. Upon appointment, Dr. Fong shall become a member of the Nomination Committee. The Board has assessed and reviewed the written confirmation of independence of Dr. Fong based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied with Dr. Fong’s independence in accordance therewith. Dr. Fong has confirmed that he has met the criteria as an INED as stipulated in the Listing Rules.

The details and brief biography of Dr. Fong are set out below:

Dr. Fong Kin Kiu, aged 58, is currently the Continuing Education Advisor (E-commerce and Digital Marketing) in the Continuing Education Office at SPEED, the Hong Kong Polytechnic University. He had been the co-founder and chief executive officer of Synergy Pacific (Holding) Limited and its subsidiary, which principally engaged in mobile products distribution and applications development. Dr. Fong obtained a bachelor’s degree from the University of Hong Kong in 1987 and two master’s degrees, one in Strategy Marketing from the University of Hull in 1996 and the other, a First Class Honours degree in Information Technology Management from the National University of Ireland in 1998. After that, Dr. Fong further obtained a doctorate degree in Business Administration from the University of South Australia in 2013.

Dr. Fong is the Vice-Chairman of The Professional Validation Centre of Hong Kong Business Sector and a Life Honorary Chairman of Hong Kong Wireless Technology Industry Association. He has accumulated over 30 years of experience in the information and communication technology industry.

LETTER FROM CHAIRMAN

Upon approval of Dr. Fong's appointment as a Director by the Shareholders at the AGM, Dr. Fong will enter 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 Dr. Fong shall not be more than 3 years and is subject to retirement by rotation in accordance with the Bye-laws. The total amount of Dr. Fong's emoluments is HK\$144,000 per annum as provided for under the terms of his service contract. Dr. Fong's emoluments have been determined by the Remuneration Committee by benchmarking against comparable companies in Hong Kong.

Save as disclosed above and as at the Latest Practicable Date, Dr. Fong (i) did not hold any other position with the Company or other members of the Group; (ii) did not have any other relationship with the Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company; (iii) did not hold any directorship in public companies in the last 3 years, the securities of which are listed on any securities market in Hong Kong or overseas; and (iv) did not have any other interests or deemed interests in the securities of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above and as at the Latest Practicable Date, there are no other matters relating to the appointment of Dr. Fong that need to be brought to the attention of the Shareholders, nor is there any other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

4. GENERAL MANDATES

At the annual general meeting of the Company which was held on 9 June 2022, 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. 11 and no. 12 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
- (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

LETTER FROM CHAIRMAN

- (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. 12 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 77,252,675 Shares.

For the purposes of Resolution no. 12, 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.

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 I 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.

LETTER FROM CHAIRMAN

5. PROPOSED ADOPTION OF THE NEW BYE-LAWS

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Listing Rules have been amended with effect from 1 January 2022 which requires, among others, listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protections for issuers. The Board proposes to amend the Existing Bye-laws by way of adopting the New Bye-laws in substitution for and to the exclusion of the Existing Bye-laws for the purposes of (i) bringing the Existing Bye-laws in line with the amendments made to the Listing Rules (in particular to conform to the core shareholder protection standards as set out in Appendix 3 to the Listing Rules); and (ii) making certain minor housekeeping amendments to the Existing Bye-laws.

In view of the number of proposed changes involved, the Board proposes the adoption of the New Bye-laws which incorporate and consolidate the proposed amendments set out in Appendix II to this circular. A special resolution will be proposed at the AGM to approve the adoption of the New Bye-laws. Shareholders are advised that the New Bye-laws are written in English. The Chinese translation of the New Bye-laws is for reference purpose only. In case of any inconsistency between the English and the Chinese translation, the English version shall prevail.

The legal advisers to the Company have confirmed that the proposed amendments to the Existing Bye-laws as set out in Appendix II to this circular conform with the requirements under the Listing Rules and are not inconsistent with the laws of Bermuda. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

6. 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 8 June 2023 at 3:00 p.m. is set out on pages 23 to 27 of this document. At the Annual General Meeting:

- (i) Resolutions no. 4 and no. 5 will be proposed as ordinary resolutions to re-elect Mr. Wong and Mr. Chung as Directors.
- (ii) Resolutions no. 6, no. 7 and no. 8 will be proposed as ordinary resolutions to elect Ms. Ng, Ms. Wu and Dr. Fong as Directors.
- (iii) Resolution no. 11 will be proposed as an ordinary resolution to give a general mandate to the Directors for the repurchase of Shares.
- (iv) Resolution no. 12 will be proposed as an ordinary resolution to give a general mandate to the Directors to allot, issue and deal with Shares.
- (v) Resolution no. 13 will be proposed as a special resolution to adopt the New Bye-laws.

LETTER FROM CHAIRMAN

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.

7. 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.

8. RECOMMENDATIONS

The Directors believe that the re-election of the retiring Directors, the proposed appointment of new Directors, the general mandates to repurchase Shares and to allot, issue and deal with Shares and the adoption of the New Bye-laws 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. 11 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 2022 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 53.85% 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 53.85% to 59.83% 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.

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 2022	0.69	0.56
May 2022	0.63	0.61
June 2022	0.66	0.63
July 2022	0.68	0.65
August 2022	0.75	0.65
September 2022	0.77	0.72
October 2022	0.73	0.70
November 2022	0.72	0.69
December 2022	0.80	0.69
January 2023	1.08	0.69
February 2023	1.15	0.72
March 2023	0.89	0.65
April 2023 (up to Latest Practicable Date)	0.86	0.82

APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

2. (j) a resolution shall be an extraordinary resolution when it has been passed by not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these Bye-laws;
2. ~~(j)~~(k) a special resolution or an extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Bye-laws or the Statutes; and
2. ~~(k)~~(l) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.
10. Subject to the Act and without prejudice to Bye-law 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the ~~holders of~~Members together holding not less than three-fourths of the voting rights of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Bye-laws relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:
- (a) the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person (or in the case of a Member being a corporation, its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum;
 - (b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and
 - (c) any holder of shares of the class present in person or by proxy may demand a poll.

APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

44. ~~The~~ Except when the Register is closed, the Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten dollars at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.
56. An annual general meeting of the Company shall be held in each ~~year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen financial year and within six (156) months after the holding end of the last preceding annual general meeting Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) and place as may be determined by the Board.~~
58. The Board may whenever it thinks fit call special general meetings, ~~and~~ Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company on a one vote per share basis shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Act.
59. (1) An annual general meeting ~~and any special general meeting at which the passing of a special resolution is to be considered~~ shall be called by not less than twenty-one (21) clear days' Notice. All ~~other~~ special general meetings may be called by not less than fourteen (14) clear days' Notice but a general meeting may be called by shorter notice if it is so agreed:
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend, speak and vote thereat; and

APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

(b) in the case of any other meeting, by a majority in number of the Members having the right to attend, speak and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.

61A. All Members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.

78. Any Member entitled to attend, speak and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend, speak and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

84. (2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may appoint one or more proxies or authorise such person or persons as it thinks fit to act as its representatives, who enjoy rights equivalent to the rights of other Members, at any meeting of the Company or at any meeting of any class of Members, or (where appropriate and subject to the Act) at any meeting of creditors of the Company, provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote ~~individually on a show of hands~~ and the right to speak.

86. (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, ~~subject to authorisation by the Members in general meeting,~~ as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the ~~next following~~ first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

APPENDIX II PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

86. (4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director (including a managing Director or other executive Director) at any time before the expiration of his ~~period~~term of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.
154. (1) Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members ~~shall~~may by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the ~~Members appoint another auditor~~conclusion of the next annual general meeting, but if an appointment is not made, the auditor in office shall continue in office until a successor is appointed. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company. Subject to the rules of the Designated Stock Exchange, the Board may fill any casual vacancy in the office of Auditor, but while the vacancy continues the surviving or continuing Auditor, if any, may act. The remuneration of any Auditor appointed by the Board under this Bye-law may be fixed by the Board. Any Auditor appointed by the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-appointment at that meeting by the Members under this Bye-law at such remuneration to be determined by the Members under Bye-law 156.
154. (2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at ~~an annual~~ general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the ~~annual~~ general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor.
154. (3) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~extraordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
156. The remuneration of the Auditor shall be fixed by the Company in general meeting by ordinary resolution or in such manner as the Members may determine.
157. ~~If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene a special general meeting to fill the vacancy. [Intentionally deleted]~~

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 8 June 2023 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 2022.
2. To declare a final dividend for the year ended 31 December 2022.
3. To declare a special dividend for the year ended 31 December 2022.
4. To re-elect Mr. Wong Chi Wai (who has served more than nine years) as an independent non-executive Director.
5. To re-elect Mr. Chung Hil Lan Eric (who has served more than nine years) as an independent non-executive Director.
6. To elect Ms. Ng Yat Shan as an executive Director.
7. To elect Ms. Wu Zhihong as an executive Director.
8. To elect Dr. Fong Kin Kiu as an independent non-executive Director.
9. To authorise the remuneration committee to fix the remuneration of the Directors.
10. 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

11. 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.”

12. 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 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).”

13. As special business to consider and, if thought fit, pass with or without modifications, the following resolutions as special resolutions of the Company:

SPECIAL RESOLUTIONS

“THAT:

(a) the new set of bye-laws of the Company (“New Bye-laws”), a copy of which is tabled at the meeting and marked “A” and signed by the chairman of the annual general meeting of the Company for the purpose of identification, be and are hereby approved and adopted as the new bye-laws of the Company, in substitution for, and to the exclusion of, the existing Bye-laws with immediate effect after the close of this meeting; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) any Director or the Company Secretary be and is hereby authorised to do all such acts as he/she deems fit to effect the adoption of the New Bye-laws and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in Bermuda and Hong Kong.”

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

Hong Kong, 26 April 2023

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 5 June 2023 to 8 June 2023, 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 2 June 2023 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 14 June 2023 to 15 June 2023, 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 13 June 2023 in order to qualify for the proposed final dividend and special dividend mentioned above.
- (6) With respect to Resolution no. 4 and no. 5 above, Mr. Wong Chi Wai and Mr. Chung Hil Lan Eric 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 2023.
- (7) With respect to Resolution no. 6, no. 7 and no. 8 above, the Board concurs with the views of the nomination committee of the Board and has recommended that Ms. Ng Yat Shan, Ms. Wu Zhihong and Dr. Fong Kin Kiu be appointed as Directors. Details of Ms. Ng Yat Shan, Ms. Wu Zhihong and Dr. Fong Kin Kiu 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 2023.
- (8) With respect to Resolution no. 13 above, the New Bye-laws are written in English. The Chinese translation of the New Bye-laws is for reference purpose only. In case of any inconsistency between the English and Chinese translation, the English version shall prevail. Details of the proposed amendments are set out in Appendix II of the circular of the Company dated 26 April 2023.
- (9) An explanatory statement containing further details regarding Resolution no. 11 above will be sent to the shareholders for perusal.
- (10) No refreshments or drinks will be provided at the annual general meeting.