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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)

DISCLOSEABLE TRANSACTION PURCHASE OF PROPERTY IN MALAYSIA

INTRODUCTION

The Board is pleased to announce that on 26 June 2025 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the Total Purchase Price of RM12,880,000 (equivalent to approximately HK\$23,828,000).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are greater than 5% but all are less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 26 June 2025 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the Total Purchase Price of RM12,880,000 (equivalent to approximately HK\$23,828,000). The principal terms of the Sale and Purchase Agreement are set out below:

* *For identification purpose only*

THE SALE AND PURCHASE AGREEMENT

Date: 26 June 2025

Parties:

- (i) Purchaser: Arts Optic Property (M) Sdn. Bhd., an indirect wholly-owned subsidiary of the Company
- (ii) Vendor: WWRC Malaysia Sdn. Bhd., a company incorporated in Malaysia

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Property to be Acquired

A unit of semi-detached factory with two (2) storey office held under Individual Title HSM 20730, PT 18963, Mukim Telok Panglima Garang, Daerah Kuala Langat, Negeri Selangor bearing postal address at No. 8, Lorong Jalak, Kawasan Perusahaan Kebun Baru, Batu 9, 42500 Telok Panglima Garang, Selangor Darul Ehsan measuring approximately 3,740 square metres.

Purchase Arrangements

On 15 June 2022, the Developer and the Vendor entered into an agreement, pursuant to which the Developer had agreed to sell and the Vendor agreed to purchase the Property. The individual title to the Property remains, as at the date of this announcement, endorsed with the Developer as the registered owner.

Pursuant to the Sale and Purchase Agreement, the Property shall be delivered upon Completion on an “as is where is” basis (fair wear and tear excepted) and subject to an existing tenancy.

Conditions Precedent

The sale and purchase of the Property is conditional upon obtaining from the Developer (i) written consent for the sale and direct transfer of the Property in favour of the Purchaser; and (ii) the relevant transfer documents (together, the “**Direct Transfer**”), within three months from the date of the Sale and Purchase Agreement.

Simultaneously, the Purchaser shall apply or cause its solicitors to obtain the Lesen Pengilang (manufacturer’s licence) from the Ministry of Investment, Trade and Industry of Malaysia or an exemption letter from Invest Selangor (whichever is applicable) and the approval of the State Authority in accordance with Section 433B of the National Land Code 1965 (the “**Approval of State Authority**”) and obtain the Approval of State Authority, within four months from the date of the Sale and Purchase Agreement.

In the event that the Vendor and/or the Purchaser fail to obtain the Direct Transfer within three months from the date of the Sale and Purchase Agreement or the Approval of State Authority within four months from the date of the Sale and Purchase Agreement or such extended period as may be mutually agreed upon by the Purchaser and the Vendor (such extended period not to exceed two months), the Purchaser may, at its sole discretion, issue a written notice to the Vendor to terminate the Sale and Purchase Agreement whereupon the Vendor would be obliged to refund or cause the refund of the sums referred to in paragraphs (i), (ii) and (iii) in the section headed “The Total Purchase Price and Payment Terms” below within fourteen days from the date of receipt of notice of termination, failing which the Vendor shall pay interest on such non-refunded monies at the rate of 8% per annum, calculated on a daily basis from the date of expiry of such fourteen-day period until the date of full payment thereof.

The Total Purchase Price and Payment Terms

An earnest deposit of RM386,400 has been paid by the Purchaser to the Vendor prior to the execution of the Sale and Purchase Agreement.

The Total Purchase Price for the acquisition of the Property is RM12,880,000 (equivalent to approximately HK\$23,828,000), which comprises the following and shall be paid in the following manner:

- (i) the earnest deposit (which has been paid by the Purchaser to the Vendor prior to the execution of the Sale and Purchase Agreement);
- (ii) a first deposit of RM386,400 shall be paid by the Purchaser to its solicitors as stakeholders upon execution of the Sale and Purchase Agreement for the purpose of remitting the same to the Director General of Inland Revenue of Malaysia within sixty days from the date of the Unconditional Date in connection with any real property gains tax chargeable on the disposal of the Property;
- (iii) a second deposit of RM515,200 shall be paid by the Purchaser to the Vendor, upon execution of the Sale and Purchase Agreement; and
- (iv) the remaining balance of RM11,592,000 (the “**Balance Purchase Price**”) shall be paid by the Purchaser to the Vendor’s solicitors as stakeholders for the Vendor within three months from the Unconditional Date.

The Total Purchase Price was determined after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the prevailing market conditions, the location of the Property and the market price of comparable properties in the same area; (ii) the return rate on the rental income under the existing tenancy agreement; and (iii) the benefits of the Acquisition as set out in the section headed “Reasons for and benefits of the Acquisition” in this announcement. The Total Purchase Price will be funded through bank borrowings in Malaysia and/or internal resources of the Group.

Tenancy Agreement

The Property is currently leased to the Tenant by the Vendor, with following terms:

Rental: RM54,000 per month

Term: Three years

Rental Period: 1 April 2024 to 31 March 2027

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Tenant and its ultimate beneficial owner(s) are Independent Third Parties.

Following Completion, the Purchaser will become the landlord under this tenancy, and the present intention of the Purchaser is to continue this tenancy until expiry.

Completion

Completion of the sale and purchase shall take place on the date the Purchaser pays the Balance Purchase Price. Completion is expected to take place within three months from the Unconditional Date.

In the event that the Purchaser shall fail to pay the Balance Purchase Price on or before the last day of the three months from the Unconditional Date (the “**Completion Date**”), the Vendor shall automatically grant an extension of time of one month from the Completion Date, provided that, the Purchaser shall pay the Vendor interest at 8% per annum calculated on daily basis on the Balance Purchase Price from the expiry of the Completion Date until the Balance Purchase Price is received by the Vendor’s solicitors as stakeholders for the Vendor.

INFORMATION ABOUT THE COMPANY AND THE PARTIES TO THE SALE AND PURCHASE AGREEMENT

The Company

The Company is a company incorporated in Bermuda with limited liability and is an investment holding company operating its business through its principal subsidiaries, associates and joint ventures. The Group is principally engaged in the manufacture of, and trading in prescription frames, sunglasses and optical lens as well as property holding.

The Purchaser

Arts Optic Property (M) Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, which is incorporated in Malaysia with limited liability. It is principally engaged in property holding.

The Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a company incorporated in Malaysia. The Vendor is principally engaged in chemicals trading. The ultimate beneficial owner of the Vendor is Mr. Teoh Weng Chai, an Independent Third Party.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In 2024, the Group established its optical lens business in Malaysia through Arts Optic Lab (M) Sdn. Bhd., an indirect non-wholly-owned subsidiary of the Company. The Property to be acquired is adjacent to another property currently rented to and used by Arts Optic Lab (M) Sdn. Bhd., and its location is ideal to reserve for the future expansion of the Group's optical lens business in Malaysia.

The Acquisition forms part of the Group's long-term business strategy. Once the Property is put into use by the Group, its location is expected to enhance the Group's operational efficiency, including improved control over transportation costs. Furthermore, the Acquisition would broaden the Group's fixed asset base and provide an opportunity to benefit from the capital appreciation potential of the Property.

Taking into account of the above, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are greater than 5% but all are less than 25%, as calculated under Rule 14.07 of the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Board”	the board of directors of the Company
“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)

“Completion”	completion of the Acquisition
“Developer”	Worldcapital Development Sdn. Bhd., a company incorporated in Malaysia who is, and whose ultimate beneficial owner(s) are, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Independent Third Parties
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	a unit of semi-detached factory with two (2) storey office held under Individual Title HSM 20730, PT 18963, Mukim Telok Panglima Garang, Daerah Kuala Langat, Negeri Selangor bearing postal address at No. 8, Lorong Jalak, Kawasan Perusahaan Kebun Baru, Batu 9, 42500 Telok Panglima Garang, Selangor Darul Ehsan measuring approximately 3,740 square metres
“Purchaser”	Arts Optic Property (M) Sdn. Bhd., a company incorporated in Malaysia with limited liability and an indirect wholly-owned subsidiary of the Company
“RM”	Malaysia Ringgit, the lawful currency of Malaysia
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 June 2025 entered between the Purchaser and the Vendor in relation to the Acquisition of the Property
“Shareholder(s)”	the registered holder(s) of the issued ordinary share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenant”	Wisesorbent Technology Asia Sdn. Bhd., a company incorporated in Malaysia with limited liability
“Total Purchase Price”	RM12,880,000 being the total purchase price of the Property (equivalent to approximately HK\$23,828,000)
“Unconditional Date”	the date on which the Purchaser’s solicitors receive the Direct Transfer and Approval of State Authority
“Vendor”	WWRC Malaysia Sdn. Bhd., a company incorporated in Malaysia
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RM1.00 = HK\$1.85 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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

Hong Kong, 26 June 2025

As at the date of this announcement, the Board comprises eight Directors, four of whom are executive Directors, namely, Mr. Ng Hoi Ying, Michael, Ms. Ng Yat Shan, Mr. Ng Kim Ying and Ms. Wu Zhihong, and four are independent non-executive Directors, namely, Mr. Wong Chi Wai, Mr. Chung Hil Lan Eric, Mr. Lam Yu Lung, and Dr. Fong Kin Kiu.