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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 SFO. The Board wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the Company's unaudited consolidated management accounts for the six months ended 30 June 2025 and assessment of the latest information currently available to the Board, the Group expects to record a net loss attributable to owners of the Company, which is anticipated the loss to fall within the range of HK\$12 million to HK\$20 million for the Reporting Period, as compared to the consolidated net profit attributable to owners of the Company of approximately HK\$2.5 million for the corresponding period in 2024.

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

This announcement is made by Arts Optical International Holdings Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the Company's unaudited consolidated management accounts for the six months ended 30 June 2025 (the "Reporting Period") and assessment of the latest information currently available to the Board, the Group expects to record a net loss attributable to owners of the Company, which is anticipated the loss to fall within the range of HK\$12 million to HK\$20 million for the Reporting Period, as compared to the consolidated net profit attributable to owners of the Company of approximately HK\$2.5 million for the corresponding period in 2024.

* For identification purpose only

The Board considers that the reasons for the anticipated net loss attributable to owners of the Company were mainly due to the following items:

- the tariff policy of the United States (the “US”) has significantly disrupted not only trade between the US and China, but also global supply chains, leading to increase in operating costs for running additional manufacturing facilities in Vietnam and Malaysia;
- a significant increase in staff costs, promotion and exhibition expenses for development of the distribution of frames and lens business in China and Southeast Asia markets; and
- the Group has financed through bank borrowings to support the establishment of production bases outside China, resulting in a significant increase in finance cost.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Company for the Reporting Period and other information currently available to the Board, which have not been reviewed by the auditor of the Company. Further, the information in this announcement is not based on any figures or information reviewed or approved by the audit committee of the Board. The Company is still in the process of finalising its unaudited consolidated interim results for the Reporting Period, which are subject to possible adjustments upon further review. The interim results announcement of the Company for the Reporting Period is expected to be released by the end of August 2025 in accordance with the Listing Rules.

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

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

Hong Kong, 12 August 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.