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## IMPORTANT

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

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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**

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The notice convening the Annual General Meeting of Arts Optical International Holdings Limited to be held in Hong Kong on 29th May, 2009 at 3:00 p.m. at which the above proposals will be considered is set out on pages 11 to 14 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

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

“Annual General Meeting”	the annual general meeting of the Company to be held on 29th May, 2009 at 3:00 p.m., notice of which is set out on pages 11 to 14 of this document
“associates”	shall have the meaning ascribed to it under the Listing Rules
“Bye-laws”	the bye-laws of the Company
“Company”	Arts Optical International Holdings Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Latest Practicable Date”	22nd April, 2009, 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
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## LETTER FROM CHAIRMAN

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*Arts* Group  
**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. LEE Wai Chung  
Mr. Francis George MARTIN<sup>#</sup>  
Mr. WONG Chi Wai<sup>#</sup>  
Mr. CHUNG Hil Lan Eric<sup>#</sup>

(<sup>#</sup> 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:*

Unit 308, 3rd Floor  
Sunbeam Centre  
27 Shing Yip Street  
Kwun Tong  
Kowloon  
Hong Kong

28th April, 2009

*To the Shareholders*

Dear Sir or Madam,

### 1. INTRODUCTION

The purpose of this document is to give you notice of the Annual General Meeting to be convened 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

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## LETTER FROM CHAIRMAN

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### 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.

In accordance with the abovementioned Bye-laws, Mr. Lee Wai Chung and Mr. Wong Chi Wai will retire at the Annual General Meeting and, being eligible, offer themselves for re-election. The details and brief biography of them are set out below:

Mr. Lee Wai Chung, aged 42, is an executive director and the company secretary of the Company as well as the financial controller of the Group. Mr. Lee joined the Group in 1995 and was appointed an executive director of the Company in 1996. He is responsible for the Group's finance, accounting and company secretarial matters. Mr. Lee holds a Bachelor degree in Social Sciences from the University of Hong Kong and is a Certified Public Accountant (Practising) and Certified Public Accountant in Hong Kong and the United States respectively as well as a non-practising member of the Chinese Institute of Certified Public Accountants. He is also an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. Mr. Lee has 21 years of experience in accounting and auditing. He did not hold any directorship in other listed public companies in the last 3 years. Mr. Lee has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee was interested in 2,750,000 Shares (representing 0.72% of the issued share capital of the Company) within the meaning of Part XV of the SFO. Mr. Lee 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 six months. The proposed term of office for Mr. Lee shall not be more than 3 years and is subject to retirement by rotation in accordance with the Company's Bye-laws. The total amount of Mr. Lee's basic salary is HK\$1,229,000 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. Lee's emoluments have been determined by the remuneration committee of the Company 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. Save as disclosed herein, there is no other information relating to Mr. Lee 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. Wong Chi Wai, aged 42, an independent non-executive director of the Company, is a Certified Public Accountant (Practising) in Hong Kong and an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Wong holds a Bachelor degree in Social Sciences from the University of Hong Kong and has also been admitted as a barrister of the High Court of Hong Kong since 1998. He has 21 years of experience in the accountancy profession and currently is the owner of a certified public accountants firm and an adviser to a law firm. Mr. Wong is an independent non-executive director of each of Bonjour Holdings Limited and Kin Yat Holdings Limited. Except as disclosed, Mr.

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## LETTER FROM CHAIRMAN

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Wong did not hold any directorship in other listed public companies in the last 3 years. He joined the Group as an independent non-executive director of the Company in 2004. Mr. Wong does not have any interests or deemed interest 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. 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 six 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 Company's Bye-laws. The total amount of Mr. Wong's emoluments is HK\$144,000 per annum as recommended by the board of Directors of the Company by benchmarking against comparable companies in Hong Kong and approved by the Shareholders of the Company at the annual general meeting. Mr. Wong was an independent non-executive director of Tin Tin Publication Development Limited ("Tin Tin") during the periods from 3rd June, 2000 to 31st August, 2000 and from 18th December, 2000 to 27th June, 2002. Tin Tin was incorporated in Hong Kong and engaged in the publication business. Mr. Wong had never participated in the management of Tin Tin during his appointment as a director of Tin Tin. His re-appointment on 18th December, 2000 as a director of Tin Tin was for the sole purpose of constituting a valid board quorum pursuant to the articles of association of Tin Tin so that Tin Tin could enter into settlement agreements with and release funds to its creditors after Tin Tin lost a court case in the Court of Final Appeal in July 2000. A judgment creditor obtained a judgment against Tin Tin on or about 11th January, 2002 for a sum of HK\$4,675,325 and then applied to the Court for the winding-up of Tin Tin. The order for the winding-up of Tin Tin was granted on 7th August, 2002. No further information about the progress of the winding-up of Tin Tin is available after the resignation of Mr. Wong as a director of Tin Tin on 27th June, 2002. This incident had been duly disclosed to the Company and the Stock Exchange when he was appointed as a director of the Company on 15th September, 2004. However, due to his oversight, Mr. Wong omitted to mention his directorship in Tin Tin when he filled in the application form for application of membership of the Hong Kong Federation of Insurers ("HKFI") in May 2004. Mr. Wong subsequently informed HKFI of his omission in July 2004 and HKFI decided to suspend his membership as an insurance agent for 9 months until June 2005. Mr. Wong had disclosed the decision of the HKFI to the Company and the Stock Exchange in October 2004. Saved 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.

### 3. GENERAL MANDATES

At the annual general meeting of the Company held on 23rd May, 2008, 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. 7 and no. 8 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 the aggregate amount of which do not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution; and

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## LETTER FROM CHAIRMAN

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- (ii) to allot, issue and deal with Shares not exceeding:
  - (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 aggregate nominal amount of the share capital of the Company in issue 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 aggregate nominal amount of the share capital of the Company in issue 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. 8 shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 383,650,000 Shares. On the basis that no further Shares are issued and no Shares 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 76,730,000 Shares.

For the purposes of these resolutions, 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 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.

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## LETTER FROM CHAIRMAN

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### 4. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting proposed to be held at Function Room – Cypress, Hotel InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on 29th May, 2009 at 3:00 p.m. is set out on pages 11 to 14 of this document. At the Annual General Meeting:

- (i) Resolution no. 3 will be proposed as an ordinary resolution to re-elect Mr. Lee Wai Chung and Mr. Wong Chi Wai as Directors.
- (ii) Resolution no. 7 will be proposed as an ordinary resolution to give a general mandate to the Directors for the repurchase of Shares.
- (iii) Resolution no. 8 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 share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, 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. 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,  
**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. 7 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 Shares in issue at the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 383,650,000 Shares. On the basis that no further Shares are issued and no Shares 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 38,365,000 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 31st December, 2008 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.

## GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, the exercise of the power of the Company to make repurchases pursuant to the proposed repurchase mandate will be in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge 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 Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that it has a present intention to sell 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.

At the Latest Practicable Date, the following parties were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company:

## Shares in the Company (Long Position)

Name	Number of issued ordinary shares held				Approximate percentage of issued share capital of the Company	Approximate percentage of issued share capital of the Company if Share repurchases were carried out in full
	Personal interests	Other interests	Corporate interests	Total		
HSBC International Trustee Limited	–	187,182,000 (Note a)	–	187,182,000	48.79%	54.21%
Maritime Overseas Assets Limited	–	151,000,000 (Note a)	–	151,000,000	39.36%	43.73%
Ratagan International Company Limited	–	151,000,000 (Note a)	–	151,000,000	39.36%	43.73%
Ng Hoi Ying, Michael	2,856,000	151,000,000 (Note b)	–	153,856,000	40.10%	44.56%
Commerzbank AG	–	–	25,434,120 (Note c)	25,434,120	6.63%	7.37%
Dresdner Bank AG	–	–	25,434,120 (Note c)	25,434,120	6.63%	7.37%
DreCo Erste Beteiligungs GmbH	–	–	25,434,120 (Note c)	25,434,120	6.63%	7.37%
Dresdner Bank Luxembourg S.A.	–	–	25,434,120 (Note c)	25,434,120	6.63%	7.37%

## Shares in the Company (Long Position) – (continued)

Name	Number of issued ordinary shares held			Total	Approximate percentage of issued share capital of the Company	Approximate percentage of issued share capital of the Company if Share repurchases were carried out in full
	Personal interests	Other interests	Corporate interests		the Company	
Dresdner VPV N.V.	–	–	25,434,120 (Note c)	25,434,120	6.63%	7.37%
David Michael Webb	3,224,000	–	19,900,000 (Note d)	23,124,000	6.03%	6.70%
Preferable Situation Assets Limited	–	–	19,900,000 (Note d)	19,900,000	5.19%	5.76%
Mondrian Investment Partners Limited	–	–	23,042,000	23,042,000	6.01%	6.67%
Ng Kim Ying	1,150,000	18,500,000 (Note e)	–	19,650,000	5.12%	5.69%

## Notes:

- (a) HSBC International Trustee Limited (“HSBCITL”) was the trustee of both The Arts 2007 Trust and The Optical 2007 Trust. The Arts 2007 Trust was a discretionary trust and the beneficiaries of which included Mr. Ng Hoi Ying, Michael. Under The Arts 2007 Trust, 151,000,000 Shares of the Company 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 HSBCITL. The Optical 2007 Trust was a discretionary trust and the beneficiaries of which included Mr. Ng Kim Ying. Under The Optical 2007 Trust, 18,500,000 Shares of the Company were held by Universal Honour Developments Limited (“Universal Honour”). The entire issued share capital of Universal Honour was held by Rainbow City Investment Limited which was also wholly-owned by HSBCITL.
- (b) These Shares were held by Ratagan as disclosed in note (a) above.
- (c) Dresdner VPV N.V. (“DVNV”) was a wholly-owned subsidiary of Dresdner Bank Luxembourg S.A. (“DB Lux”) which was in turn a wholly-owned subsidiary of DreCo Erste Beteiligungs GmbH (“DEBG”). DEBG was also wholly-owned by Dresdner Bank AG (“DBA”) which was in turn wholly-owned by Commerzbank AG (“CA”). Being the controlling corporations of DVNV, DB Lux, DEBG, DBA and CA were also deemed to be interested in the 25,434,120 Shares held by DVNV under Part XV of the SFO.
- (d) These Shares were directly held by Preferable Situation Assets Limited (“PSAL”). Mr. David Michael Webb was deemed to be interested in the 19,900,000 Shares held by PSAL under Part XV of the SFO.
- (e) These Shares were held by Universal Honour as disclosed in note (a) above.

If as a result of a Share repurchase 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 the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a Shareholder, or a group of Shareholders acting in concert (depending on the level of increase of the Shareholders' interests) 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. In the event that the Directors shall exercise in full the power to repurchase Shares of the Company 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 40.10% to 44.56% and he would be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of the increase. The Directors have no intention to exercise the power to repurchase Shares pursuant to the repurchase mandate to such extent that would give rise to an obligation on the part of Mr. Ng Hoi Ying, Michael to make a mandatory general offer under Rule 26 of the Takeovers Code.

#### **SHARES PURCHASES MADE BY THE COMPANY**

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

#### **SHARE PRICES**

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

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
April 2008	3.53	3.00
May 2008	3.20	3.00
June 2008	3.19	2.95
July 2008	2.97	2.60
August 2008	3.00	2.70
September 2008	2.70	1.90
October 2008	1.96	1.28
November 2008	1.65	1.35
December 2008	1.58	1.33
January 2009	1.65	1.52
February 2009	1.68	1.60
March 2009	1.66	1.53
April 2009 (up to Latest Practicable Date)	2.02	1.67

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## NOTICE OF ANNUAL GENERAL MEETING

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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 IS HEREBY GIVEN** that the Annual General Meeting of Arts Optical International Holdings Limited (the “**Company**”) will be held at Function Room – Cypress, Hotel InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on 29th May, 2009 at 3:00 p.m. for the following purposes:

### AS ORDINARY BUSINESS

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Independent Auditor for the year ended 31st December, 2008.
2. To declare a final dividend for the year ended 31st December, 2008.
3. To re-elect Mr. Lee Wai Chung and Mr. Wong Chi Wai as Directors for a term of not more than 3 years and subject to their retirement by rotation in accordance with the Company’s Bye-laws.
4. To authorise the Remuneration Committee to fix the remuneration of the executive Directors.
5. To approve a remuneration of HK\$144,000 be paid to each of the independent non-executive Directors for the period from the conclusion of this meeting to the conclusion of the next annual general meeting, provided that such remuneration will be paid in proportion to the period of service in the case of a Director who has not served the entire period.
6. To re-appoint Messrs. Deloitte Touche Tohmatsu as the Auditor and to authorise the board of Directors to fix their remuneration.

### AS SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**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

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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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 aggregate nominal amount 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 aggregate nominal amount of the share capital of the Company in issue 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.”

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

“**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;
- (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 aggregate nominal amount of share capital 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

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## NOTICE OF ANNUAL GENERAL MEETING

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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 aggregate nominal amount of the share capital of the Company in issue 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 aggregate nominal amount of the share capital of the Company in issue 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 aggregate amount of the share capital of the Company in issue 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
- (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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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).”

By Order of the Board  
**Lee Wai Chung**  
*Company Secretary*

Hong Kong, 28th April, 2009

*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 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 share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, 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 26th May, 2009 to 29th May, 2009 (both days inclusive), during which period no transfers of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 25th May, 2009 in Hong Kong.
- (5) An explanatory statement containing further details regarding resolution no. 7 above will be sent to Shareholders together with the annual report of the Company for the year ended 31st December, 2008.