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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.

The Board wishes to inform the shareholders of the Company and potential investors that the net profit for the six months ending 30th June 2012 is presently anticipated to be significantly lower than that of the corresponding period in 2011.

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”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that based on the Company’s preliminary review of the results of the Group for the four months ended 30th April 2012, the net profit for the six months ending 30th June 2012 is presently anticipated to be significantly lower than that of the corresponding period in 2011.

The Board believes that the significant decrease in the net profit of the Group is attributable to various factors, including (i) the increase in labour costs after the minimum wage in Shenzhen, where the Group’s manufacturing facilities are located, increased by 20% in April 2011 and 14% in February 2012; (ii) the appreciation of Renminbi by around 4% in the first four months of 2012 as compared with the corresponding period of 2011.

* For identification purpose only

The Company has yet to finalise the interim results of the Group for the six months ending 30th June 2012. The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the four months ended 30th April, 2012 which have not been audited or reviewed by the Company's auditors. Further details of the financial information of the Group will be published when the interim results of the Group for the six months ending 30th June 2012 are released.

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

By Order of the Board
Ng Hoi Ying, Michael
Chairman

Hong Kong, 30th May, 2012

As at the date of this announcement, the Board comprises six directors, three of whom are executive directors, namely Mr. Ng Hoi Ying, Michael, Mr. Ng Kim Ying and Mr. Lee Wai Chung, and three are independent non-executive directors, namely Mr. Wong Chi Wai, Mr. Chung Hil Lan Eric and Mr. Lam Yu Lung.