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(Incorporated in Bermuda with limited liability)

(Stock Code: 1120)

## CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the "Announcement") of Arts Optical International Holdings Limited (the "Company") dated 23rd June, 2014 regarding a discloseable transaction of the Company in relation to subscription of and sale and purchase of quotas in Trenti. Capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement unless otherwise defined or the context otherwise requires.

The Board would like to clarify the following matters in the Announcement:

- 1. based on the audited accounts of Trenti for the financial year ended 31st December, 2013 prepared in accordance with Italian accounting standards, the audited net asset value of Trenti was approximately €1.9 million (equivalent to approximately HK\$20.0 million); and
- 2. the consideration for the Subscription and for the Purchase was determined after arm's length negotiations between Allied Power and Trenti, and between Allied Power and the Vendor, respectively. In determining the consideration for the Subscription and for the Purchase respectively, the Board has taken into account the following factors:
  - a. the audited net asset value of Trenti as at 31st December, 2013;
  - b. the benefits which are expected to accrue to the Group through the Transaction as disclosed in the section headed "Reasons for and benefits of the Transaction" in the Announcement:
  - c. Trenti maintained steady growth despite the financial turmoil in Europe; and

<sup>\*</sup> For identification purpose only

d. the good financial track record of Trenti, evidenced by good investment returns generated from Trenti since Allied Power became an investor of Trenti in 2004.

In this announcement, unless otherwise stated, amounts denominated in  $\in$  are translated, for the purpose of illustration only, into HK\$ at the exchange rate of HK\$10.534 to  $\in$ 1.

By Order of the Board Ng Hoi Ying, Michael Chairman

Hong Kong, 25th June, 2014

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.