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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 Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a substantial loss for the six months ended 30th June, 2020.

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 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 unaudited consolidated management accounts of the Group for the four months ended 30th April, 2020, the Group is expected to record a substantial loss for the six months ending 30th June, 2020 (the “Period”). The loss attributable to owners of the Company for the Period is anticipated to record an increase of not less than 30% as compared to the loss attributable to owners of the Company of HK\$54.5 million for the six months ended 30th June, 2019.

* For identification purpose only

This is mainly attributable to the following: (i) the outbreak of COVID-19 in early 2020 which has adversely impacted global business activities and resulted in decrease in sales volume and deferral of the orders from the Group's customers in Europe, the United States and Asia; and (ii) reduction in customer demand has resulted in surplus production capacity and an increase in production costs has led to intensified competition in the optical frame market as well as margin erosion pressure on the Group.

The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the four months ended 30th April, 2020 and information currently available to the Board. It is not based on any figures or information that has been audited or reviewed by the auditor of the Company. The interim results announcement of the Company for the Period is expected to be released by the end of August 2020.

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, 19th June, 2020

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