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Smoore International Holdings Limited

思摩爾國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6969)

DISCLOSEABLE TRANSACTION PURCHASE OF STRUCTURED DEPOSIT

PURCHASE OF STRUCTURED DEPOSIT

On 6 January 2022, Smoore Shenzhen entered into the Structured Deposit Agreements with BOC, pursuant to which Smoore Shenzhen agreed to purchase two structured deposits of RMB3,000,000,000 in aggregate (i.e. RMB1,500,000,000 for each) using internal resources.

LISTING RULES IMPLICATIONS

As the First Structured Deposit Agreement and the Second Structured Deposit Agreement were entered into within 12 months, they were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposit Agreements exceeds 5% but all of the applicable percentage ratios are less than 25%, the purchase of structured deposit under the Structured Deposit Agreements as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

BACKGROUND

The Board announced that on 6 January 2022, Smoore Shenzhen entered into the Structured Deposit Agreements with BOC, pursuant to which Smoore Shenzhen agreed to purchase two structured deposits of RMB3,000,000,000 in aggregate (i.e. RMB1,500,000,000 for each) using internal resources.

THE STRUCTURED DEPOSIT AGREEMENTS

The principal terms of the First Structured Deposit Agreement are set out as follows:

- (1) Date of subscription: 6 January 2022
- (2) Parties:
 - (i) BOC
 - (ii) Smoore Shenzhen
- (3) Name of the product: Linked Structured Deposit Product (掛鈎型結構性存款)
- (4) Type of return: Principal-guaranteed with variable return
- (5) Subscription amount: RMB1,500,000,000. The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (6) Term of deposits: 173 days (from 7 January 2022 to 29 June 2022)
- (7) Expected annualized rate of return: 1.49%–5.30%
- (8) Scope of investment: The return shall be partly invested in derivative products linked to the exchange rate of EUR against USD. The return from the structured deposit is linked to the performance of the exchange rate of EUR against USD in the international market during the observation period. The return of the Company depends on the performance of the exchange rate of EUR against USD during the observation period.
- (9) Observation period/
Observation timing: 14:00 on 24 June 2022 (Beijing time)
- (10) Risk level: Low-risk product
- (11) Guarantee from the bank: BOC commits to guarantee the principal and the minimum return based on the minimum expected annualized rate of return, to keep abreast of the market conditions and observe the exchange rate of EUR against USD during the observation period on arm's length and equitable basis, and to pay the return to the Company strictly in accordance with the agreed guaranteed return rate and conditions stated in the agreement.

- (12) Redemption: Prior to the maturity date of the product, neither BOC nor the Company shall have the right to early terminate the product unilaterally, except in the event of major changes in laws and regulations and regulatory provisions or force majeure, which require early termination of the product.
- (13) Payment of principal and return: Upon maturity of the product, all product returns shall be paid in one lump sum and the principal of the product subscription shall be returned in full.

The principal terms of the Second Structured Deposit Agreement are set out as follows:

- (1) Date of subscription: 6 January 2022
- (2) Parties: (i) BOC
(ii) Smoore Shenzhen
- (3) Name of the product: Linked Structured Deposit Product (掛鈎型結構性存款)
- (4) Type of return: Principal-guaranteed with variable return
- (5) Subscription amount: RMB1,500,000,000. The Board believes that the consideration of such subscription was determined on the basis of arm's length commercial terms.
- (6) Term of deposits: 173 days (from 7 January 2022 to 29 June 2022)
- (7) Expected annualized rate of return: 1.50%–5.31%
- (8) Scope of investment: The return shall be partly invested in derivative products linked to the exchange rate of EUR against USD. The return from the structured deposit is linked to the performance of the exchange rate of EUR against USD in the international market during the observation period. The return of the Company depends on the performance of the exchange rate of EUR against USD during the observation period.
- (9) Observation period/
Observation timing: 14:00 on 24 June 2022 (Beijing time)
- (10) Risk level: Low-risk product

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| (11) Guarantee from the bank: | BOC commits to guarantee the principal and the minimum return based on the minimum expected annualized rate of return, to keep abreast of the market conditions and observe the exchange rate of EUR against USD during the observation period on arm's length and equitable basis, and to pay the return to the Company strictly in accordance with the agreed guaranteed return rate and conditions stated in the agreement. |
| (12) Redemption: | Prior to the maturity date of the product, neither BOC nor the Company shall have the right to early terminate the product unilaterally, except in the event of major changes in laws and regulations and regulatory provisions or force majeure, which require early termination of the product. |
| (13) Payment of principal and return: | Upon maturity of the product, all product returns shall be paid in one lump sum and the principal of the product subscription shall be returned in full. |

INFORMATION ON THE PARTIES

The Company

The Company is an investment holding company and the Group is principally engaged in research, design, manufacturing and sales of vaping devices and vaping components.

Smoore Shenzhen

Smoore Shenzhen is a wholly owned subsidiary of the Company and is principally engaged in research, design, manufacturing and sales of vaping devices and vaping components.

BOC

BOC is a company listed on the Hong Kong Stock Exchange (stock code: 03988) and the Shanghai Stock Exchange (stock code: 601988) and mainly provides commercial banking, investment banking, insurance, asset management and other financial services. To the best of the Directors' knowledge, information and belief, BOC and its ultimate beneficial owners are parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PURCHASE OF STRUCTURED DEPOSIT

The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Company, which is consistent with the core objectives of the Group to ensure capital safety and liquidity. The impact of risk factors on the expected rates of return of the Structured Deposit Agreements is relatively low, but the Group could get a higher return as compared with fixed term deposit in commercial banks in the PRC.

The Directors consider that the terms of the Structured Deposit Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the First Structured Deposit Agreement and the Second Structured Deposit Agreement were entered into within 12 months, they were required to be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposit Agreements exceeds 5% but all the applicable percentage ratios are less than 25%, the purchase of structured deposit under the Structured Deposit Agreements as mentioned above constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following terms used herein have the following meanings:

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| “Board” | the board of Directors |
| “BOC” | Bank of China Limited (中國銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC. Its shares are listed on the Hong Kong Stock Exchange (stock code: 03988) and the Shanghai Stock Exchange (stock code: 601988) |
| “Company” | Smoore International Holdings Limited, a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6969) |
| “connected person” | has the meaning ascribed to it in the Listing Rules |
| “Directors” | the director(s) of the Company |
| “First Structured Deposit Agreement” | the structured deposit agreement entered into between Smoore Shenzhen and BOC dated 6 January 2022 in relation to the purchase of the first structured deposit |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “PRC” | the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Second Structured Deposit Agreement” | the structured deposit agreement entered into between Smoore Shenzhen and BOC dated 6 January 2022 in relation to the purchase of the second structured deposit |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Smoore Shenzhen” | Shenzhen Smoore Technology Co., Ltd.* (深圳麥克韋爾科技有限公司), a company established in the PRC with limited liability and is a wholly owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Structured Deposit Agreements” | the First Structured Deposit Agreement and the Second Structured Deposit Agreement |
| “%” | per cent. |

By Order of the Board
Smoore International Holdings Limited
Mr. Chen Zhiping
Chairman of the Board

Hong Kong, 6 January 2022

As at the date of this announcement, the executive Directors are Mr. Chen Zhiping, Mr. Xiong Shaoming and Mr. Wang Guisheng; the non-executive Director is Dr. Liu Jincheng; and the independent non-executive Directors are Mr. Zhong Shan, Mr. Yim Siu Wing, Simon and Dr. Liu Jie.

* For identification purpose only